which contemplate an increase in minimum old-age and survivors insurance primary benefits of $5 a month, will not serve this purpose. On the other hand, a bill for comprehensive expansion and liberalization of social security such as H. R. 6035, which I have introduced, and which is identical with similar bills introduced by other Democrats, constitutes a step in the right direction.

Nevertheless, whatever action we take in the House, let us beware of H. R. 7200. Let us remember that those unfortunates, the needy aged, the dependent children, the blind and the disabled, are human beings as deserving in consideration and justice as the rest of us. Let us assist rather than burden the States in their endeavors to help such people. Let us guard and strengthen our social-security system.

SENATE

WEDNESDAY, APRIL 28, 1954

(Legislative day of Wednesday, April 14, 1954)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Lord God Almighty, judge of men and of nations, Who amidst the shifting sands of time standeth sure: Like men who turn from the dust of the desert to crystal streams, so we lift our soiled faces to Thee from the perplexities and the imperfections which crowd the common days. As we pause in reverent silence let this high place of a people's hope, so great a factor in tomorrow's pattern for all men, become the audience chamber of Thy presence. Because there is no solution of the world's ills save as it springs from individual hearts, we pray for ourselves. Give us a solemnizing sense of our fallibility. Cleanse Thou our hearts by Thy grace. Feed our minds with Thy truth. Guide our feet in the way of Thy will, and lead us in the paths of righteousness. For Thy name's sake. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, April 27, 1954, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed a bill (H. R. 7397) to amend the Public Health Service Act to promote and assist in the extension and improvement of public health services, to provide for a more effective use of available Federal funds, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 364. An act for the relief of the Advance Seed Co., of Phoenix, Ariz.;

S. 893. An act for the relief of David T. Wright; and

S. 2247. An act to authorize certain members of the Armed Forces to accept and wear decorations of certain foreign nations.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. CAPEHART, and by unanimous consent, the Committee on Banking and Currency was authorized to meet this afternoon during the session of the Senate.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following communication and letter, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATION, DEPARTMENT OF LABOR (S. DOC. NO. 118)

A communication from the President of the United States, transmitting a proposed supplemental appropriation, in the amount of $18,900,000, for the Department of Labor, fiscal year 1954 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

MEDICAL CARE FOR DEPENDENTS OF MEMBERS OF ARMED FORCES

A letter from the Assistant Secretary of Defense, transmitting a draft of proposed legislation to provide medical care for dependents of members of the Armed Forces of the United States, and for other purposes (with accompanying papers); to the Committee on Armed Services.

MEMORIALS

Memorials were laid before the Senate, and referred as indicated:

By the PRESIDENT pro tempore:

A telegram in the nature of a memorial from the Indiana Federation of Clubs, French Lick, Ind., signed by Mrs. George L. Miller, corresponding secretary, embodying a resolution adopted by that organization, protesting against the admission of Red China into the United Nations; to the Committee on Foreign Relations.

A resolution adopted by the Las Juntas Parlor, No. 221, Native Daughters of the Golden West, Martinez, Calif., protesting against the admission of Red China into the United Nations; to the Committee on Foreign Relations.

SAFEGUARDING THE RIGHTS OF CERTAIN LANDOWNERS IN WISCONSIN—RESOLUTION OF IRON COUNTY (WIS.) BOARD OF SUPERVISORS

Mr. WILEY. Mr. President, I have received a resolution from the Iron County Board of Supervisors on behalf of H. R. 8006, to safeguard the rights of certain landowners in Wisconsin whose title to property has been brought into question by reason of errors in the original survey and grant.

I ask unanimous consent that the resolution be printed at this point in the RECORD and be thereafter appropriately referred.

There being no objection, the resolution was referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Whereas the legal effect of United States Government resurveys of lands claimed by the Government to have been omitted from the original Government survey is presently open to question and dispute; and

Whereas H. R. 8006 has been introduced in the Congress of the United States by our Congressman, ALVIN E. O'KONSKI, which, if enacted, will correct said situation and define the extent of effect of said Government resurveys: Be it

Resolved by the Iron County Board of Supervisors of Iron County, Wis., duly assembled this 20th day of April 1954, That we, the said board of supervisors, endorse H. R. 8006, and recommend the passage thereof as introduced; be it further

Resolved, That we hereby commend the Honorable ALVIN E. O'KONSKI, Representative in Congress from the 10th Congressional District of Wisconsin, for introducing said legislation, and urge our said Congressman and our United States Senators, the Honorable ALEXANDER A. WILEY and the Honorable JOSEPH R. MCCARTHY, to support said legislation; be it further

Resolved, That the county clerk of Iron County be, and he is hereby, instructed to forward to the Honorable ALVIN E. O'KONSKI, the Honorable ALEXANDER A. WILEY, and the Honorable JOSEPH R. MCCARTHY a certified copy of this resolution to each.

OUTLAWING OF COMMUNIST PARTY—LETTER

Mr. WILEY. Mr. President, on April 22, I referred to the much-debated issue of whether or not the Communist Party should be outlawed.

I present a letter embodying a resolution which I received from the judge advocate of one of the Milwaukee posts of the Catholic War Veterans of the United States.

I ask unanimous consent that the letter embodying the resolution be printed in the body of the RECORD and be thereafter appropriately referred to the Senate Judiciary Committee.

There being no objection, the letter was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

CATHOLIC WAR VETERANS,
THEODORE A. WAGNER POST, NO. 572,
Milwaukee, Wis., April 20, 1954.

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Following is a resolution drawn up by our post at a meeting last week and unanimously agreed upon:

"Whereas the Communist Party has been un-American since its birth in this country, working underground in stealth and coercion, preying upon minority groups and children; and

"Whereas the Communist Party takes its orders from a foreign totalitarian state, does not owe allegiance to this country, and even advocates the overthrow of our Government—by any means: Be it therefore

"Resolved, That the Theodore A. Wagner Post, No. 572, Catholic War Veterans, in conclave assembled on this date, April 7, 1954, emphatically go on record favoring the outlawing the Communist Party in the United States; and

"Resolved, That the Senate committee investigating the present legislation against this Communist Party abide and concur with the great majority of the American people and bring to the Senate floor a unanimous recommendation for legislation barring the Communist Party from the United States."

Very sincerely yours,

ROGER PETERS,
Judge Advocate, Theodore A. Wagner Post, Catholic War Veterans.

FEDERAL EQUALITY OF OPPORTUNITY IN EMPLOYMENT ACT—REPORT OF A COMMITTEE

Mr. IVES. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, without amendment, the bill (S. 692) to prohibit discrimination in employment because of race, color, religion, national origin, or ancestry, and I submit a report (No. 1267) thereon. The report includes minority and individual views.

I wish to point out that, on page 10 of the report, where the individual views of the Senator from New Jersey [Mr. SMITH] and the Senator from Arizona [Mr. GOLDWATER] are set forth, the name of our late colleague, Senator Dwight Griswold, should be added, and I think it would be appropriate to have it included with the signatures to the report because Senator Griswold did sign it.

I ask unanimous consent that the report, together with the minority and individual views included therein, be printed.

The PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed as requested by the Senator from New York.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, April 28, 1954, he presented to the President of the United States the following enrolled bills:

S. 364. An act for the relief of the Advance Seed Co., of Phoenix, Ariz.;

S. 893. An act for the relief of David T. Wright; and

S. 2247. An act to authorize certain members of the Armed Forces to accept and wear decorations of certain foreign nations.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CLEMENTS:

S. 3366. A bill for the relief of Lina Gertrude Yakumeit and her minor child; to the Committee on the Judiciary.

By Mr. HILL (for himself and Mr. SPARKMAN):

S. 3367. A bill granting the consent of Congress to the city of Mobile, Ala., and the State of Alabama, their successors and assigns, the right to close Garrows Bend Channel, Mobile County, Ala., by the construction of an earth-filled causeway across said channel in the county of Mobile, State of Alabama; and

S. 3368. A bill to provide for the development of Coosa River, Ala. and Ga.; to the Committee on Public Works.

By Mr. DOUGLAS:

S. 3369. A bill to amend the Internal Revenue Code so as to permit farmers to deduct from gross income certain expenditures incurred to provide water-storage facilities; and

S. 3370. A bill to amend the Internal Revenue Code so as to permit farmers to deduct from gross income certain expenditures incurred to provide grain-storage facilities; to the Committee on Finance.

By Mr. JOHNSON of Colorado:

S. 3371. A bill for the relief of Jose Perez Gomez; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 3372. A bill for the relief of Elisabeth Berresheim; and

S. 3373. A bill for the relief of Lena Reeg; to the Committee on the Judiciary.

By Mr. MARTIN:

S. 3374. A bill to authorize the President to issue posthumously in the name of George Washington a commission as General of the Armies, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. MARTIN when he introduced the above bill, which appear under a separate heading.)

By Mr. DIRKSEN (by request):

S. 3375. A bill for the relief of the Elkay Manufacturing Co., of Chicago, Ill.; to the Committee on the Judiciary.

By Mr. MARTIN (for himself and Mr. DUFF):

S. J. Res. 152. Joint resolution to provide for the proper participation by the United States Government in a national celebration of the 200th anniversary of the Battle of Fort Necessity, Pa., on July 3 and 4, 1954; to the Committee on the Judiciary.

(See the remarks of Mr. MARTIN when he introduced the above joint resolution, which appear under a separate heading.)

PARITY PRICE SUPPORTS FOR MILK AND BUTTERFAT — ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the name of the Senator from Missouri [Mr. HENNINGS] be added as cosponsor of the bill (S. 3169) to continue temporarily existing 90 percent of parity price supports for milk and butterfat.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

REVISION OF INTERNAL REVENUE LAWS—AMENDMENT

Mr. DOUGLAS submitted an amendment intended to be proposed by him to the bill (H. R. 8300) to revise the internal-revenue laws of the United States, which was referred to the Committee on Finance and ordered to be printed.

HOUSE BILL REFERRED

The bill (H. R. 7397) to amend the Public Health Service Act to promote and assist in the extension and improvement of public health services, to provide for a more effective use of available Federal funds, and for other purposes, was read twice by its title, and referred to the Committee on Labor and Public Welfare.

NOTICE OF HEARING ON CERTAIN NOMINATIONS IN DIPLOMATIC AND FOREIGN SERVICE

Mr. WILEY. Mr. President, the Senate has received a list of 72 nominations for promotion in the diplomatic and foreign service. The list is printed on page 5586 of the CONGRESSIONAL RECORD of April 27. I give notice that these nominations will be considered by the Committee on Foreign Relations at the expiration of 6 days.

AMERICA PRAYS FOR SUCCESS OF GENEVA CONFERENCE

Mr. WILEY. Mr. President, the eyes of the world are on the Conference in Geneva.

The hopes and prayers of mankind are invoked toward the end that from the Conference will emerge a just and lasting peace for Korea and for Indochina.

We know, very realistically, all of the obstacles in the way, but we are not going to allow our spirit to dim or our faith to falter.

On Monday I delivered an address in Houston, Tex. In the course of it, I issued a statement relative to the need for caution in the Conference.

I send to the desk the text of this statement and ask unanimous consent that it be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

GENEVA AND INDOCHINA: SIX SUGGESTIONS FOR CAUTION IN APPRAISAL

I want to say just a few brief words with regard to the mounting crisis in Indochina, and then with regard to the Conference in Geneva.

First, I want to point out the significance of our deep interest in this area—Indochina—so many thousands of miles away.

This interest is symptomatic of the new age in which we live. It is an age in which space and time have been contracted, an age of man's inventiveness and ingenuity. It is an age of flight faster than sound with men traveling 1,700 miles per hour. It is an age of the H-bomb and the A-bomb.

Now, as we approach the specific problem of Indochina, I should like to submit a few words of caution.

NO ONE BATTLE CRUCIAL

My first word of caution is that we do not play up any single battle in that theater, as if it were the deciding factor.

I refer in particular to widespread comments on the grim desperate battle of Dien Bien Phu. There is no question but that the Communists have made a massive effort to take that fortress, in order to deal what they hope will be a shattering psychological blow to the French, as the Geneva Conference opens.

But this battle in Indochina is not going to be won or lost by any single battle, any more than World War II or I were lost by any single battle. There were turning points, critical stages, crucial victories and defeats, but there is no situation so bad that is unredeemable. The lowest point in the ebbing tide can be the turning point in the tide.

Indochina can be held, provided that there is the will among the native peoples, among the French people, and the will in the free world to sacrifice and hold it.

NO ONE WANTS UNITED STATES LAND INVOLVEMENT

Secondly, I want to caution against those who try—for partisan or other reasons—to portray certain leaders of the United States as if they were "eager to get American boys involved in land fighting" in Indochina or elsewhere.

I have personally spoken with executive, military, and diplomatic leaders of our country again and again on this Indochina issue.

I know, in my heart, that they desire to spare American lives. I know that they are keenly aware of all that might happen if American troops were committed in those jungles and rice paddies. I say to you that the policies of this administration are aimed at an America at peace, and not at war.

WE MUST TAKE RISKS

But third, I want to caution against those who urge us to try to "avoid all risks in Indochina."

The fact of the matter is that it is impossible to avoid risks.

If we were to try to avoid all risks by ignoring that theater, we would be taking the greatest risk of all. This is a world of unavoidable risks, of calculated chances.

Of course, it was a risk to send American technicians to Indochina. But the alternative of doing nothing was infinitely worse, infinitely more dangerous.

Of course, there is the danger that one step may lead inevitably to another. But there is an even worse danger that one step backward into inaction, apathy, indifference, is a certain step toward disaster, a disaster in which all of southeast Asia would be lost to the Kremlin.

WATCH GLOBAL CHESSBOARD

Fourthly, I want to caution all of my listeners to keep their eyes on the world picture as a whole.

Beware of becoming so preoccupied with any one area on the global chessboard that we forget the other areas.

At the very same time that we were watching the Berlin blockade, for example, China was being pushed down the Soviet drain.

At the very same time that we are now watching Indochina, the Kremlin is planning master strokes elsewhere.

The nations of the free world each tend to be involved somewhat with their own national interests. We Americans are naturally particularly concerned with Korea. We should be so concerned, considering the 140,000 casualties which we suffered, and considering the epic sacrifice of the Korean Republic and the sacrifices of other U. N. troops.

The French tend to be infinitely more concerned with Indochina and their grievous losses there. But the future of Korea and the future of Indochina, and the future of other key areas of the world is intertwined.

MAINTAIN ALLIED UNITY

Fifth, I want to caution against any drift to allied disunity.

As the Geneva conference gets underway, the greatest single obligation on the part of our allies and ourselves is to stay united. I know that we have differences with the British and the French, and they with us.

But all of those differences together do not add up to a fraction of the things we share and have shared in common.

The very least that we can do is negotiate now together in unity, negotiate from combined strength, negotiate from agreed-upon firmness, negotiate on a sound basis for an honorable, lasting peace, rather than on an appeasement basis.

And here at home, let us do nothing, say nothing which makes more difficult the efforts by our good friends, our gallant allies, by distinguished statesmen like Premier Laniel and Foreign Minister Bidault to do their share in upholding France's and the free world's honor in the common struggle.

Let us appreciate our allies' problems, as we ask them to understand ours.

BE PATIENT ON GENEVA

Sixth and last, I want to urge caution against our American tendency to seek quick results at the Geneva conference table.

I want to urge us not to become impatient, as the diplomats talk and become involved in details and technicalities and maneuvers.

The delegation which we have sent headed by our capable dedicated Secretary of State, consists of competent servants of this Republic. They are not going to stall or to tolerate stalling. But neither can they do the impossible.

Geneva will take time, as Panmunjon took time, and as every effort for peace with the obstinate Soviets takes times. It may in the end prove fruitless. But we must not lose heart or lose patience—lest in the end, all mankind lose lives.

Let the conference proceed, in its good time so that all the world may see very clearly whether the Soviets choose to demonstrate a real desire for peace—by irrevocable actions—or demonstrate simply more Red rhetoric, more phony propaganda techniques.

NEED FOR FAITH

These, then, are my recommendations for caution.

But, above all, I recommend hope, I recommend faith. It is not blind hope or faith.

It is a realistic hope and faith that somehow, mankind will find its way out of the terrible morass in which it finds itself.

The alternative—global war with the A-bomb and H-bomb—and the C-bomb, perhaps, and bacteriological warfare—is almost too terrible to contemplate.

We must win peace. We can win peace. We will win peace.

The decision is, of course, not up to us entirely. But, insofar as it is ours to make, let us make that decision—to strive with all our heart and soul for peace.

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). Is there further morning business? If not, the Chair lays the unfinished business before the Senate.

THIRD SUPPLEMENTAL APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 8481) making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes.

Mr. BRIDGES. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the amendments of the committee be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will proceed to state the amendments of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Chapter I—District of Columbia—Public schools—General administration, supervision, and instruction, on page 2, line 11, after the word "instruction", strike out "$1,500,000" and insert "$1,575,000."

The amendment was agreed to.

The next amendment was, on page 2, line 14, after the word "program", strike out "$24,000" and insert "$24,500."

The amendment was agreed to.

The next amendment was, at the top of page 3, to insert:

PUBLIC WELFARE

AGENCY SERVICES

For an additional amount for "Agency services," $60,000, to be derived by transfer from the appropriation for "Operating expenses, protective institutions, Public Welfare," fiscal year 1954.

The amendment was agreed to.

The next amendment was, under the subhead "Settlement of claims and suits," on page 4, line 10, after "(45 Stat. 1160; 46 Stat. 500; Stat. 131)", strike out "$21,625" and insert "$29,625."

The amendment was agreed to.

The next amendment was, under the heading "Chapter II — Legislative branch," on page 5, after line 14, insert:

SENATE

For payment to Erma E. Griswold, widow of Dwight Griswold, late a Senator from the State of Nebraska, $12,500.

The amendment was agreed to.

The next amendment was, on page 5, after line 18, insert:

SALARIES, OFFICERS AND EMPLOYEES

Office of Sergeant at Arms and Doorkeeper: Effective May 1, 1954, the appropriation for salaries of officers and employees of the Senate contained in the Legislative Branch Appropriation Act for the fiscal year 1954 is made available for the compensation of seven additional pages at the basic rate of $1,800 per annum each.

The amendment was agreed to.

The next amendment was, at the top of page 6, to insert:

CONTINGENT EXPENSES OF THE SENATE

Motor vehicles: For an additional amount for maintaining, exchanging, and equipping motor vehicles for carrying the mails and for official use of the offices of the Secretary and Sergeant at Arms, $4,275 to be derived by transfer from the appropriation for "Folding Documents," fiscal year 1954.

The amendment was agreed to.

The next amendment was, under the heading "Chapter III—Department of State," on page 8, after line 13, insert:

INTERNATIONAL CONTINGENCIES

For an additional amount for "International contingencies," $200,000, to be derived from transfer from "Government in occupied areas," fiscal year 1954.

The amendment was agreed to.

The next amendment was, under the heading "Department of Commerce—Maritime activities—Operating-differential subsidies," on page 9, line 22, after the word "subsidies", strike out "$19,500,000" and insert "$29,500,000, to be derived by transfer from the appropriation 'War Shipping Administration Liquidation, Treasury Department' and."

The amendment was agreed to.

The next amendment was, on page 10, after line 9, insert:

ADVISORY COMMITTEE ON WEATHER CONTROL

SALARIES AND EXPENSES

For necessary expenses of the Advisory Committee on Weather Control, established by the act of August 13, 1953 (67 Stat. 559), including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), $30,000.

The amendment was agreed to.

The next amendment was, under the heading "Chapter IV—Treasury Department—Bureau of Narcotics—Salaries and expenses," on page 10, after line 21, insert:

The unobligated balance of the lapsed appropriation of the Bureau of Narcotics available for the payment of salaries and expenses for the fiscal year 1948, shall be available for payment of claims settled by the General Accounting Office and otherwise chargeable to appropriations for the fiscal year 1949.

The amendment was agreed to.

The next amendment was, under the heading "Chapter V—Department of Labor—Bureau of Employment Security—Grants to States for unemployment compensation and employment service administration," on page 11, line 20, after the word "administration", strike out "$14,500,000" and insert "$12,100,000"; and in the same line, after the amendment just above stated, strike out the comma and "which shall be available only to the extent that the Secretary finds necessary to meet increased costs of administration resulting from changes in a State law or increases in the numbers of claims filed and claims paid over those upon which the State's basic grant (or the allocation for the District of Columbia) was based, which increased costs of administration cannot be provided for by normal budgetary adjustments."

The amendment was agreed to.

The next amendment was, under the heading "Department of Health, Education, and Welfare—Assistance for school construction," on page 12, after 21, strike out:

For an additional amount for providing school facilities and for grants to local educational agencies in federally affected areas as authorized by Public Law 815, 81st Congress, as amended by Public Law 246, 83d Congress, $55 million, to remain available through December 31, 1954, all of which shall be available for payments authorized by section 209 (c) of Public Law 815, 81st Congress, as amended by section 2 (e) of Public Law 246, 83d Congress: *Provided*, That entitlements shall be paid on a pro rata basis if there be not enough to cover all legal entitlements.

And insert:

For an additional amount for grants to local educational agencies in federally affected areas as authorized by section 209 (c) of Public Law 815, 81st Congress, as amended by section 2 (e) of Public Law 246, 83d Congress, including not to exceed $250,000 for necessary expenses of technical services rendered by other agencies, $55 million, to remain available until expended: *Provided*, That unpaid entitlements, reduced to the extent requests therefor are not filed before October 1, 1954, shall be paid on a pro rata basis if the amount herein appropriated for grants is not enough to cover all such entitlements: *Provided further*, That applications which meet the requirements of section 205 of such Public Law 815 may be amended not later than December 31, 1954, to (1) substitute a different project or (2) substitute a reimbursement request based upon construction of the original project under a contract entered into before the date of enactment of this act or upon construction of other facilities under a contract entered into before such date and after June 30, 1952, and in either case the adequacy requirements in subsection (c) (1) of such section 205 shall not apply.

The amendment was agreed to.

The next amendment was, under the subhead "Grants to States for public assistance," on page 14, line 16, after the word "assistance", strike out "$57,300,000, of which not more than $2,800,000 shall be available for State and local administration" and insert "$58,000,000."

The amendment was agreed to.

The next amendment was, under the heading "Chapter VI—Department of Agriculture—Commodity Credit Corporation," on page 15, line 14, after the word "to", strike out "$19,100,000" and insert "$20,100,000."

The amendment was agreed to.

The next amendment was, under the heading "Chapter VII—Department of the Interior," on page 15, after line 20, insert:

OFFICE OF THE SECRETARY

OPERATION AND MAINTENANCE, SOUTHEASTERN POWER ADMINISTRATION

For an additional amount for "Operation and maintenance, Southeastern Power Administration," $138,000.

The amendment was agreed to.

The next amendment was, at the top of page 16, to insert:

OFFICE OF TERRITORIES

For an additional amount for "Construction, Alaska Railroad," for the authorized work of the Alaska Railroad, including improvements and new construction, to remain available until expended, $4,594,000: *Provided*, That funds appropriated under this head may be transferred to the Alaska Railroad Relvolving Fund for purposes of accounting and administration.

The amendment was agreed to.

The next amendment was, under the heading "Chapter VIII," on page 16, after line 15, to insert:

EXECUTIVE OFFICE OF THE PRESIDENT

FUNDS APPROPRIATED TO THE PRESIDENT

Refugee relief

For an additional amount for expenses necessary to enable the President, by transfer to such officer or agency of the Government as may be appropriate, to carry out the provisions of the Refugee Relief Act of 1953 (Public Law 203, approved August 7, 1953), including services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), at rates not in excess of $50 per diem for individuals; printing and binding outside the continental United States without regard to section 11 of the act of March 1, 1919 (44 U. S. C. 111); hire of passenger motor vehicles; and expenses of attendance at meetings concerned with the purpose of this appropriation; $750,000: *Provided*, That funds appropriated herein shall be available in accordance with authority granted hereunder or under authority governing the activities of the Government agencies to which such funds are allocated.

The amendment was agreed to.

The next amendment was, under the heading "Chapter IX—Department of Defense—civil functions—United States section, St. Lawrence River Joint Board of Engineers," on page 19, line 7, after the word "act", strike out the colon and "*Provided further*, That no part of these funds shall be obligated until agreement has been entered into, by the United States Government and the United States entity authorized to construct the power works in the International Rapids section of the St. Lawrence River, providing for the reimbursement of the expenditures of the United States section of this Board by the construction entity" and insert a colon and "*Provided further*, That with the exception of certain necessary preliminary expenses, no part of these funds shall be obligated until agreement has been entered into, by the United States Government and the United States entity authorized to construct the power works in the International Rapids section of the St. Lawrence River, providing for the reimbursement of the expenditures (including necessary preliminary expenses) of the United States section of this Board by the construction entity."

The amendment was agreed to.

The next amendment was, at the top of page 21, to insert:

CHAPTER XI

CLAIMS FOR DAMAGES, AUDITED CLAIMS, AND JUDGMENTS

For payment of claims for damages as settled and determined by departments and agencies in accord with law, audited claims certified to be due by the General Accounting Office, and judgments rendered against the United States by United States district courts and the United States Court of Claims, as set forth in Senate Document No. 110, 83d Congress, $1,553,745, together with such amounts as may be necessary to pay interest (as and when specified in such judgments or in certain of the settlements of the General Accounting Office or provided by law) and such additional sums due to increases in rates of exchange as may be necessary to pay claims in foreign currency: *Provided*, That no judgment herein appropriated for shall be paid until it shall have become final and conclusive against the United States by failure of the parties to appeal or otherwise: *Provided further*, That, unless otherwise specifically required by law or by the judgment, payment of interest wherever appropriated for herein shall not continue for more than 30 days after the date of approval of this act.

The amendment was agreed to.

The next amendment was, in the heading on page 21, line 22, after the word "Chapter", strike out "XI" and insert "XII"; and in line 24, to change the section number from "1101" to "1201."

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BRIDGES. Mr. President, I call up my amendment providing $50,000 for the Office of the Administrator of the Housing and Home Finance Agency.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 17, after line 16, it is proposed to insert the following new paragraph:

OFFICE OF THE ADMINISTRATOR

Salaries and expenses: In addition to amounts appropriated under this head, the Administrator may transfer to this appropriation from any other funds available for administrative expenses, not to exceed $50,000, for expenses of investigations of irregularities or abuses in connection with the administration of programs of mortgage and loan insurance as authorized by the National Housing Act, as amended (12 U. S. C. 1701).

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, the explanation of this amendment is that, as all of us know, a major investigation now is under way in connection with certain housing matters. The investigation was launched by the President on April 12, after the disclosure of windfall profits in connection with housing projects insured by the Federal Housing Administration, and other matters which have caused great concern. The investigation is being directed by the Housing Administrator, Mr. Cole, for the executive branch. He is cooperating very closely with the inquiry which the Senate has authorized to be made by its Banking and Currency Committee.

In order to carry out these investigations, Mr. Cole has had to employ a temporary staff of expert investigators and auditors. Of course, this cost was not at any time contemplated in the budget or in the appropriations Congress has made for this agency.

Mr. President, this amendment does not require the appropriation of any funds; it merely provides that to meet the cost of this investigation, the Administrator, Mr. Cole, may use up to $50,000 of any funds in his agency that can be spared from other uses.

Unless the amendment is approved, the investigation might be seriously delayed. For this reason, although I did not know about this item in time to have it considered by the committee, I recommend adoption of the amendment.

Mr. President, to repeat, let me say that the purpose of the amendment is to provide for purely temporary help; it is not to interfere with the investigation being conducted by the Senate Banking and Currency Committee, headed by the distinguished senior Senator from Indiana [Mr. CAPEHART], or to interfere with the investigation being conducted by the Joint Committee on Reduction of Nonessential Federal Expenditures, headed by the distinguished senior Senator from Virginia [Mr. BYRD]. On the contrary, the purpose of the amendment is merely to make possible the investigation being directed by the Housing Administrator, Mr. Cole, for the executive branch. Furthermore, no permanent employees are to be put on the rolls; the help to be employed will be purely temporary.

Mr. SALTONSTALL. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. Certainly.

Mr. SALTONSTALL. I should like to state to the distinguished chairman of the Appropriations Committee that the Subcommittee on Independent Offices Appropriations heard testimony on this item for the fiscal year 1955. The Housing and Home Finance Administrator, Mr. Cole, has requested $100,000 more, in order to assemble his staff in Washington, and to have one permanent staff, and $150,000 to enable the executive branch to conduct the investigation of the housing frauds.

So by making $50,000 available now, in this supplemental appropriation bill, certainly in connection with the budget for the fiscal year 1955 we can give consideration to the need for making the full amount available.

Mr. BRIDGES. I thank the Senator from Massachusetts.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BRIDGES. Mr. President, I should like to submit another amendment, and I desire to explain it very frankly to the Senate, because I certainly am not trying to "put anything over." This item was not brought before the Senate Appropriations Committee and was not brought before the House Appropriations Committee. The item came only this morning from the Bureau of the Budget. It relates to the veterans of the Korean war. The Bureau of the Budget thinks the item is urgent, so that unemployment compensation for them can be provided during the remainder of the present fiscal year. In brief, the amendment appears on page 12, in line 6; it calls for striking out "$5,500,000" and inserting in lieu thereof "$24,400,000."

Let me say to the Senate that the Senator from New Hampshire, the chairman of the Appropriations Committee, has no personal knowledge of this item, except as it came to him this morning.

I wish to be entirely frank about this item, Mr. President. I certainly wish to have the Government meet its obligations to the veterans of the Korean war. My suggestion to the Senate is that, if it is agreeable to the Senate, we agree to this item and take it to conference; in the meantime we shall be able to obtain all the facts, and certainly the item can be adjusted in conference. That seems to be the only fair arrangement. I say again, very frankly, that I do not have the facts, nor did the committee, to support the item.

Mr. JOHNSON of Texas. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. JOHNSON of Texas. Let me inquire whether the distinguished senior Senator from Arizona [Mr. HAYDEN] is familiar with this item.

Mr. BRIDGES. Let me say to the Senator from Arizona that I have just received the item; it came to me only shortly before I came to the floor. I have not discussed it with any other member of the Appropriations Committee.

Mr. HAYDEN. Mr. President, there is a budget estimate for the item, is there not?

Mr. BRIDGES. Yes. It involves an additional amount of $18,900,000 for unemployment compensation for the Korean war veterans.

Mr. HAYDEN. The explanation of the item, as received from the Director of the Bureau of the Budget, is as follows:

DEPARTMENT OF LABOR

BUREAU OF EMPLOYMENT SECURITY

Unemployment compensation for veterans

For an additional amount for "Unemployment compensation for veterans," $18,900,000.

This proposed supplemental appropriation is in addition to the $20,500,000 supplemental appropriation request recommended in the letter of February 16, 1954 (H. Doc. 331). More recent experience—particularly benefit payments made during March 1954—indicates that a further additional amount of $18,900,000 will be needed to meet the requirements for benefit payments to eligible veterans. This additional proposed supplemental appropriation is necessary to permit the Department of Labor to meet these increased requirements.

In other words, by law we are required to render this service to the veterans of the Korean war, who now are in the United States and are entitled to the service.

So I cannot see any good reason why we should not accept the amendment and take it to conference; and in the meantime the House Appropriations Committee will have an opportunity to look into the item.

Mr. JOHNSON of Texas. Mr. President, in view of the representations of the chairman of the Appropriations Committee and the ranking minority member of the committee, I would be inclined to agree that the Senate should follow that procedure.

Mr. BRIDGES. Mr. President, I appreciate what the distinguished senior Senator from Arizona [Mr. HAYDEN] and the distinguished senior Senator from Texas [Mr. JOHNSON], the minority leader, have said.

I wish to say that I do not think it is proper and right to legislate in this way, and I do not like to do so. On the other hand, the measure before us is probably the only supplemental appropriation bill that will be passed prior to the end of the present fiscal year. If this item is to be handled, it must be handled here. It covers a subject in which I know every Senator is interested, namely, the adequate treatment of Korean veterans. There is a budget estimate in connection

with this item. It has been recommended by the President, the Budget Bureau, and the Department of Labor. As the Senator from Arizona has said, we can obtain the full facts in conference, and adjust the item accordingly. I do not like to legislate in this way, without the full facts. I am baring my breast.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. KNOWLAND. In view of the statement which the Senator has made, concurred in by the ranking minority member of the Appropriations Committee [Mr. HAYDEN], and inasmuch as this is probably the last supplemental bill which will be before the Senate in this fiscal year, it seems to me this is the only procedure that can be followed at this time. However, I believe that we should urge upon the Bureau of the Budget the necessity of watching appropriations bills a little more closely and furnishing us with information in time for the committee to consider such items. As majority leader, I express the hope that the distinguished Senator from New Hampshire, chairman of the Appropriations Committee, will have representatives of the Budget Bureau before the committee, with all the supporting data, so that the conferees will have all the facts before them.

Mr. BRIDGES. I assure the distinguished majority leader that we shall do so. If the item is not fully justified, it certainly will be eliminated in conference, or such part of it as is not justified will be eliminated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 12, line 6, after the word "veterans", it is proposed to strike out "$5,500,000" and insert "$24,400,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Hampshire.

The amendment was agreed to.

Mr. BRIDGES. Mr. President, at this time I wish to call up my amendment relating to the transportation of persons and property of the Department of Defense free or at reduced rates by air carriers. I realize that this amendment is legislative in character. Consequently, notice has been given of a motion to suspend the rule in case a point of order should be raised.

The Senator from New Hampshire believes in dealing openly with these questions. Certain Senators have come to me and objected to this item. I do not see them present in the Chamber at the moment.

I should like to take a moment to explain the theory of the amendment. Historically railroads have been authorized to provide for transportation of property of the United States either free or at reduced rates, pursuant to section 22 of the Interstate Commerce Act, enacted in 1887. Provision for the transportation of persons for the United States Government free or at reduced rates was added on September 18, 1940. Statutory authority to grant free or reduced rates was extended to motor carriers by section 217 of the act of 1949; to water carriers by section 306 of the act of 1949; and to freight forwarders by section 405 of the act of 1949.

Preferential treatment of the United States Government with respect to transportation of property and persons has resulted—and the committee thinks properly so—in enormous savings in appropriations over the years, particularly in view of the fact that the United States Government is the largest customer of every available transportation system. The proposed amendment would permit, in the case of air carriers, the same privileges now granted with respect to water carriers, motor carriers, and railroads.

Mr. KILGORE. Mr. President, will the Senator yield for a question at that point?

Mr. BRIDGES. Certainly.

Mr. KILGORE. With reference to waterborne traffic, there are certain subsidies which apply to all carriers, but that does not hold true with respect to airlines. Some of the airlines collect no subsidies. In fact, a great many of them do not collect any subsidies from the Government, whereas many of them are now hauling personnel for less than cost. The nonsubsidized airlines might be penalized. That is the only question which arises in my mind. If all airlines were given subsidies, the situation would be different. However, there is a division as between nonsubsidized and subsidized airlines.

Mr. BRIDGES. I will say to the distinguished Senator from West Virginia that the point he raises is a pertinent one. I point out that many of the water carriers are also subsidized, and I point out further that the Department of Defense is the largest user of air carriers.

Let me say to my friend the distinguished Senator from West Virginia that, as he well knows, my interest—and the interest of other Senators present—is in saving money. As I see it, the air carriers should be on the same basis as other forms of transportation, so that the result would be savings to the American Government and the American taxpayers. That is the theory of the amendment.

If there is objection, the Senator from New Hampshire has no desire to press the amendment, but he believes there is a loophole which we should close in order to save money.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the majority leader.

Mr. KNOWLAND. The distinguished chairman of the Committee on Interstate and Foreign Commerce, the senior Senator from Ohio [Mr. BRICKER], mentioned to me the other day that he felt that, since this amendment was legislation on an appropriation bill, he thought the more orderly procedure would be to have the question taken up as a matter of legislation before the appropriate legislative committee. I have sent for the Senator from Ohio in the hope that he would arrive in the Chamber by the time this item came up for consideration.

There is no question that the proposed amendment is legislation. I should like to say to the Senator, however, that I fully concur in his views. His interest has been and is in the saving of money for the Federal Government. From that point of view, I think the amendment has a great deal of merit. However, in view of the fact that it is legislation on an appropriation bill, and in view of the statement which has been made to me by the Senator from Ohio, I think the distinguished Senator from New Hampshire might be willing not to press his amendment at this time, if he could have the assurance of the chairman of the Committee on Interstate and Foreign Commerce, who is now in the Chamber, that hearings will be held on proposed legislation dealing with this subject, and if the committee which has legislative jurisdiction could give assurance that such hearings will be held. Under those circumstances, perhaps the Senator from New Hampshire would not be inclined to press the amendment.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. BRICKER. This is a subject which is before our committee. We have been giving attention to it. We have received a letter from Mr. Harmar D. Denny, Vice Chairman of the Civil Aeronautics Board, in which he opposes the amendment and asks that the Civil Aeronautics Board be heard on it.

The subject is within the jurisdiction and province of our committee. We have had some experiences in connection with a proposed amendment to an appropriation bill dealing with fees. We have had to set the matter for hearing, because of the confusion which has arisen.

If it is satisfactory to the chairman of the Appropriations Committee, I will say that the committee will hold hearings on this subject and give it adequate consideration. I think it is a subject which ought to have legislative consideration, rather than being dealt with by an amendment to an appropriation bill.

Mr. BRIDGES. Mr. President, the Senator realizes that our interest is in saving money for the Government. We see no reason why we should not save it in connection with air carriers.

Mr. BRICKER. I appreciate that. We have the same interest at heart. However, I think the subject should be dealt with by the legislative committee, because there are more questions involved than the mere question of appropriations and the saving of money.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. KILGORE. My interest is the same as that of the chairman of the Appropriations Committee, and of every other Senator, namely, that of saving money. However, if we save it in one place and expend it at another, we are not really saving money. If we could save money, I would go along wholeheartedly with the proposal, but I greatly fear that we shall be asked for more and more, and larger and larger subsidies. That is my only reason for raising this point.

Mr. BRIDGES. I thank the Senators very much.

Mr. BRICKER. Mr. President, I ask unanimous consent to have printed in the RECORD at this point the letter from Mr. Denny, of the Civil Aeronautics Board, which sustains our position.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CIVIL AERONAUTICS BOARD,
Washington, April 26, 1954.

Hon. JOHN W. BRICKER,
Chairman, Committee on Interstate and Foreign Commerce,
United States Senate,
Washington, D. C.

DEAR SENATOR BRICKER: It has come to the attention of the Board that there has been introduced in the Senate a proposed amendment to the supplemental appropriation bill, H. R. 8481, which would amend subsection (b) of section 404 of the Civil Aeronautics Act of 1938. The amendment, in brief, would permit air carriers to transport persons and property for the Department of Defense at free or reduced rates. In view of the adverse consequences which it believes that such legislation would have, the Board is taking the liberty of submitting to you its views in opposition thereto.

Under sections 404 and 1002 of the Civil Aeronautics Act the Board is given the responsibility of prescribing the rates and practices of air carriers. The statute sets forth in some detail the standards that are to be followed, including the need in the public interest of adequate and efficient transportation of persons and property by air carriers at the lowest cost consistent with the furnishing of such service. In spite of the inflationary increases which have taken place since the war, airline rates and fares have gone up less than almost any other product or service. The public at large, as well as the Government as a user of air transportation, has benefited from existing law and policy under which the objective of ratemaking is to provide efficient transportation at the lowest cost consistent with the furnishing of adequate service.

The business of the Department of Defense represents a significant proportion of the air-transportation business. To permit this business to be conducted by air carriers at free and reduced rates, entirely exempt from the controls applicable to the rates available to other users, would be inconsistent with the policy of the act, and would obviously impair, if not altogether destroy, the effective continuation of existing rate policy with respect to the industry as a whole. To the extent that the Department of Defense would be able to have property and passengers transported at free or reduced rates the decrease in revenue to the carriers caused thereby would in the long run have to be made up either by increased charges to the public or by increased governmental financial support.

The Board is strongly opposed to the proposed amendment.

We understand that this matter may come up for consideration on the floor of the Senate today, hence we are submitting our views at the earliest moment, and have not cleared this report with the Bureau of the Budget.

Sincerely yours,

HARMAR D. DENNY,
Vice Chairman.

Mr. BRIDGES. Mr. President, as a result of the points raised by the chairman of the Committee on Interstate and Foreign Commerce, the Senator from Ohio [Mr. BRICKER], the majority leader, and the Senator from West Virginia [Mr. KILGORE], I shall, as chairman of the Committee on Appropriations, use my prerogative and withhold the amendment, on the assurance of the Senator from Ohio, the chairman of the committee on Interstate and Foreign Commerce, that the subject will be taken up by the committee and legislative consideration given to this important subject.

Mr. BRICKER. I thank the chairman.

Mr. BRIDGES. I shall now call up my amendment on dust storms, dealing with the agricultural conservation program. I ask that the amendment be stated.

The PRESIDING OFFICER. The Secretary will state the amendment.

The LEGISLATIVE CLERK. At the appropriate place in the bill it is proposed to insert the following:

AGRICULTURAL CONSERVATION PROGRAM

For an additional amount for "agricultural conservation program," in addition to the program authorized under this head for 1954, under the Department of Agriculture Appropriation Act, 1954, $15 million to remain available until December 31, 1955, to enable the Secretary of Agriculture to make payments to farmers who carry out emergency wind erosion control measures under the 1954 agricultural conservation program, including payments for such protective measures carried out by farmers on adjacent or nearby lands of other farmers, in counties designated by the Governors of the respective States with the approval of the Secretary of Agriculture as subject to damage by excessive wind erosion during 1954: *Provided*, That the payments for such emergency wind erosion control measures shall not exceed the cost per acre of the practices or a total of $1 per acre, whichever is smaller, and that such payment may be made only upon a finding by the county agricultural stabilization and conservation committee that the land treated by control measures has been subject to excessive wind erosion in 1954 and is in danger of further such erosion during 1954 and certification by the county committee that the recommended control measures have been performed: *Provided further*, That this appropriation may be expended without regard to the adjustments required under section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590h (e)), and may be distributed among States and individual farmers without regard to any other provision of law.

Mr. BRIDGES. Mr. President, the amendment is sponsored by a number of Senators from the areas of the country which have been subject to the effects of the recent terrible duststorms. The amendment is sponsored particularly by the Senators from that area. A very dramatic case was made before the Committee on Appropriations with respect to the serious conditions in Texas, Colorado, Kansas, Oklahoma, and Nebraska. It is estimated that about 11,600,000 acres of cultivated land and about 5,200,000 acres of rangeland have been very seriously damaged by wind erosion. Many more millions of acres may be classified as land that has also been damaged by the duststorms.

It is a very serious problem. I do not represent those areas, but from the descriptions that have been given, the testimony that has been presented, and the pictures that have been shown, I am convinced it is a major problem in those areas.

I have tried to find out from the Department of Agriculture what its position is, but I have not been able to ascertain exactly where it stands on the matter. However, as chairman of the Committee on Appropriations I am presenting the amendment to the Senate because of the strenuous efforts of the Senators from those areas, in the hope that the amendment may go to conference, where it may be fully discussed.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. AIKEN. Mr. President, I favor this appropriation. It is an appropriation which I believe Congress ought to make to correct a condition for which Congress itself is largely responsible.

In the so-called Dust Bowl area several million acres of crops have been planted, largely as a direct result of Congress making special inducements to plant that land. I should like to express the hope that when we work out a new farm program we shall try to work it out in such a way that it will not result in creating conditions such as we are trying to correct at the present time.

There are areas which are adapted to the growing of wheat and in which wheat should be grown; but there are also other areas which ought not to be encouraged, by the incentive of high prices, to produce crops of the kind which have been grown in the Dust Bowl area.

There are also other areas, in the far northern part of our country, where the dust has not yet started to blow, but where I have seen hundreds of thousands of acres used for the growing of wheat, although wheat should not be grown there. Until last year the people living in that area have been very fortunate in getting rainfall. Probably hundreds of thousands of acres of wheat are being planted on land which is not susceptible to irrigation and which has an inadequate rainfall, and the farmers who are planting that wheat will run into trouble.

I express the hope that we shall try to make good the damage for which we are largely responsible, and that in working out a future farm program we will not put incentives on land destruction. There is no problem in that connection so long as there is sufficient rainfall, but when there is no rainfall, serious trouble results.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I thank the chairman of the Committee on Appropriations for having taken cognizance of the emergency that exists in the so-called Dust Bowl. The Dust Bowl extends through the Texas Panhandle and into Nebraska and Kansas and Oklahoma and a part of New Mexico and western Colorado and eastern Wyoming and eastern Colorado. I flew over one of the dust-bowl areas through a dust storm, from El Paso, Tex., to my home city of Albuquerque. On that flight I could not even locate the country town in which I was born. We had to fly very high in order to get over the dust storm.

There is an emergency, Mr. President, and because of the emergency I feel that the appropriation should be made. I hope also that in the future the sound judgment expressed by the chairman of

the committee will be given some attention.

The situation is quite pathetic in some places. Year after year a man works like a slave and gets his wheat seed planted. It begins to grow, and all of a sudden his crop is covered by dust, and he cannot even recover 1 bushel of the seed. That land should not have been taken away from the antelope and buffalo; even they are entitled to a little better treatment than to have wheat raised on land that is not adapted to wheat growing.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. MONRONEY. I wish to commend the distinguished chairman of the Committee on Appropriations for recommending the appropriation of funds for this purpose. The situation is truly an emergency of the kind described by the able chairman of the committee. Last Sunday, in flying from Denver to Washington, I flew across this area. There are literally hundreds of square miles that look more like the Sahara Desert than they do like the prosperous farmlands of a year ago. It is truly desert on the march. A small investment at this time, such as that which the committee is recommending, will save hundreds of millions of dollars of loss of natural resources, because, after the dust settles, it will be years before the land can be reclaimed for grass, or wheat, or any other purpose.

I commend the Senator from New Hampshire for recommending this great step forward which will make the people in that area feel that something is being done to save it.

Mr. JOHNSON of Texas. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. JOHNSON of Texas. Mr. President, this is a question of extreme urgency.

We can act now and ward off further damage to our most precious asset—the soil. Or we can wait—and face the staggering problem of restoring life to millions of acres of barren land.

The figures on soil erosition are deeply disturbing. In Texas alone, there were 4,274,000 acres of land last month, without cover, with insufficient cover, or ready to blow. A total of 1,234,000 acres already had suffered moderate to severe damage.

This is an immediate tragedy for the people living on that land. But from a long-range viewpoint, it could easily become an immense tragedy for the United States.

We are accustomed to thinking of America as the land of plenty. Sometimes, food and fiber seems to be bursting out at every seam.

This will not always be a land of plenty, however, if we do not conserve our assets in soil and water. This could become a land of misery and poverty if we allow our God-given natural resources to go with the wind.

At least seven northern Panhandle counties in Texas have suffered severely from wind erosion. Historic Texas counties in the high and low plains like Parmer, Bailey, Lamb, Cochran, Gaines, Hockley, Lubbock, Yoakum, Terry, Lynn, Dawson, Borden, Martin, and Howard are on the critical list.

It is true that we have had rains in recent weeks. They have been beneficial. But they have not been enough to restore the soil completely. They have not been enough to give our farmers some assurances for the future.

Even were they enough, they would only postpone the day of decision. We would still face the necessity of taking steps to prevent a repetition of the disaster.

Our farmers have gone through many hard, grim months. They have faced drought and insects, wind and dust storms. They need help if they are to conserve our priceless soil.

The amendment provides that kind of help. It would enable our farmers to do the necessary deep plowing that will protect our land.

Other steps are needed, but this has first priority.

Mr. President, we cannot add to the assets that God has given us. But we can make wise use of them. We can conserve and save for the benefit of ourselves and future generations.

This amendment is such a conservation measure, and I urge its speedy approval.

Mr. MILLIKIN. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. MILLIKIN. Mr. President, I should like to join in the sentiments which have been expressed by my colleagues. The amendment is a joint amendment presented by the Senators from the States which have been named.

The situation existing there is not at all truly appreciated in this section of our country, for example. The winds are terrible agents of destruction, not only in that they are blowing away land but they are blowing away many other values. People with respiratory diseases are having a difficult time in the areas which are involved. Livestock has had to be moved out. I have seen photographs of livestock having literally balls of mud in their eyes. Their lungs are so filled with dust that they cannot breathe properly. The dust is so thick and prevalent, as has been pointed out by the Senator from New Mexico [Mr. CHAVEZ], that many times it is impossible to see the length of a block.

The situation is tragic. The only way it can be cured is through a mass attack over the whole area with the things which are necessary to be done to stop the effects of the blowing of the dust. It will be a large undertaking. It will do no good for isolated persons here and there to try to save and protect their own lands, because they will be covered with dust from the lands of those who do not try to rehabilitate their lands. The necessary things must be done, and done promptly.

The President is considering transferring some funds from certain emergency appropriations which have been made for him. There are certain funds in the Department of Agriculture which may be, in the end, used for this purpose. If so, this appropriation will not have to be used.

I commend the chairman of the committee for proposing this amendment. It is a most necessary piece of legislation; and to the extent that the need for it is lessened by other measures as we go along, that is all to the good.

Mr. CARLSON. Mr. President, will the Senator from New Hampshire yield?

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Does the Senator from New Hampshire yield to the Senator from Kansas?

Mr. BRIDGES. I yield.

Mr. CARLSON. Mr. President, I wish to commend the chairman of the Appropriations Committee for bringing up this item which affects large areas in several States.

As has been stated by the chairman of the Committee on Agriculture and Forestry [Mr. AIKEN], it is possible that some of this land should not have been broken, but, regardless of that, it was broken, and it did produce millions of bushels of wheat at a time when the Government asked that it be produced. It is now absolutely essential that some Federal assistance be provided and that there be undertaken a program which is unified and large enough to cover the entire area.

As the distinguished Senator from Colorado [Mr. MILLIKIN] has said, it does not do any good for one individual farmer to try to protect his area. There must be a program which is general and overall in its inclusion.

The people of Kansas are ready to cooperate with State agencies which are already is existence. This proposed fund will be an investment for the future, not simply an expenditure of money which will be wasted.

Mr. BARRETT. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. BARRETT. I wish to join with my colleagues in commending the distinguished chairman of the Appropriations Committee for offering this amendment. The southwestern section of my State has been seriously affected by the drought, although, quite fortunately, the remainder of the State is not in an acute condition at the present time.

Mr. President, when I flew out with other Members to attend the funeral of our late colleage, Dwight Griswold, we could observe the situation caused by wind erosion. It appeared to me to have all the earmarks of the terrible drought year of 1934.

Something has been said about the sod having been turned over for the purpose of raising wheat. That situation always arises in wartimes, when there is need for extraordinary production of wheat.

So, Mr. President, this drought situation becomes worse because of the tendency to break land that should have remained in its natural state, and it seems to me we should take immediate steps to grant relief in the drought area.

Mr. SCHOEPPEL. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. SCHOEPPEL. Mr. President, I was occupying the chair when this question was brought up. I am glad to join with my colleagues on the floor who have spoken with reference to the proposed appropriation. I was one of those who appeared before the Appropriations Committee, headed by the distinguished Senator from New Hampshire, who is reporting the items included in the bill which is now before the Senate. It has been brought out that the damage is so far-reaching by reason of the progressive nature of the drought that immediate concerted effort and action are called for. The proposed appropriation, I am positive, under proper administration, will furnish the type of concerted effort which is needed to prevent further the erosion if the drought continues over those vast areas.

Mr. President, I hold in my hand a report from the Soil Conservation Service, giving an estimate, as of April 27 of this year, and showing that the States included in the damaged acreage of croplands and range lands are Oklahoma, New Mexico, Texas, Kansas, and Colorado. The total acreage, as indicated in this exhibit, is a little more than 16 million acres.

I also wish to point out that the same Conservation Service officials show that if the situation continues, the lands which are liable to be damaged, both croplands and rangelands, total approximately 14,830,000 acres, which indicates to me that an immediate approach to this problem, as has been brought out here, will save hundreds of millions of dollars of damage which are likely to accrue.

I am appreciative of the fact that the Senator from New Hampshire and the other members of the Appropriations Committee, and those who appeared in behalf of this measure, see the necessity for doing something in the matter. I hope the item will remain in the appropriation bill.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the Soil Conservation Service estimate of April 27, 1954.

There being no objection, the estimate was ordered to be printed in the RECORD, as follows:

Soil Conservation Service estimate, Apr. 27, 1954

State	Damaged acreage			Land liable to be damaged		
	Cropland	Rangeland	Total	Cropland	Rangeland	Total
Oklahoma	660,000	20,000	680,000	120,000	10,000	130,000
New Mexico	1,270,000	1,500,000	2,770,000	870,000	1,250,000	2,120,000
Texas	3,290,000	1,770,000	5,060,000	2,380,000	3,650,000	6,030,000
Kansas	3,080,000	960,000	4,040,000	3,550,000	890,000	4,440,000
Colorado	3,250,000	960,000	4,210,000	1,250,000	860,000	2,110,000
Total	[1]11,650,000	5,210,000	[1]16,860,000	8,170,000	6,660,000	14,830,000

[1] There is an error in reporting or interpretation of 100,000 acres. Soil Conservation Service officials have stated the correct total should be 11,650,000 acres.

Mr. DANIEL. Mr. President, I wish to associate myself with the remarks previously made by the distinguished senior Senator from Texas [Mr. JOHNSON] in support of the amendment. I wish to thank the committee for its action, and to urge the adoption of the amendment by the Senate.

Mr. BRIDGES. Mr. President, as chairman of the committee, I have received from Hon. True D. Morse, Under Secretary of Agriculture, a letter and a brief statement outlining the position of the Department. I desire to make them a part of the RECORD, so that the committee of conference may have the information available to it. This information was not available to the committee when it held hearings, and it has not been made available to the Senate until now. Therefore, it should be made a part of the RECORD, for consideration by the committee of conference.

There being no objection, the letter and statement were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, April 26, 1954.

Hon. STYLES BRIDGES,
Chairman, Committee on Appropriations, United States Senate.

DEAR SENATOR BRIDGES: During the recent hearings before the Senate Appropriations Committee on the third supplemental appropriation bill, representatives of this Department were requested to comment on Senate Joint Resolution 144. At that time, we were awaiting the results of a survey of the area damaged by wind erosion.

The survey has now been completed. The attached statement summarizes the situation in the southern Great Plains, and provides our comments on the proposed appropriation. If the Congress determines that an appropriation should be made at this time, we urge that the principles discussed in the statement be given serious consideration.

We believe that the funds should be used to assist in future wind erosion control measures related closely to practices which will be effective in meeting immediate erosion control problems and, to the extent feasible, will have long-range conservation benefits. We are particularly concerned that (1) the limitation of $1 per acre would tend to discourage some of the most urgently needed practices with long range benefits, such as the establishment of permanent cover, and (2) such payments should be on a cost sharing basis, except for producers who are unable to provide part of the costs of emergency control measures.

If further information is needed, we will be pleased to furnish such data as are available.

Sincerely yours,

TRUE D. MORSE,
Under Secretary.

STATEMENT REQUESTED BY SENATE APPROPRIATIONS COMMITTEE ON SENATE JOINT RESOLUTION 144, HOUSE JOINT RESOLUTION 489, MAKING AN ADDITIONAL APPROPRIATION FOR THE DEPARTMENT OF AGRICULTURE FOR THE 1954 AGRICULTURAL CONSERVATION PROGRAM

The Department has just received a report of a thorough survey completed by the Soil Conservation Service during the first week of April, covering an area of approximately 82 million acres in the Southern Great Plains.

It is estimated that there are about 11,600,000 acres of cultivated land and about 5,200,000 acres of rangeland damaged from wind erosion. There are about 15 million additional acres which have been classified as liable to be damaged.

It appears that in the northern part of this area over 2 million new acres were broken out of grass and put into wheat during the past 12 years. At least 75 percent and perhaps as much as 90 percent of this acreage was light sandy soil or shallow hard land that should never have been plowed. In the southern part of the area at least 1½ million acres were broken out of grass and put in cotton. Nearly all of this new cultivated land is sandy and unsuited for cultivation.

In the area blowing this year, however, there is a large acreage of land in cultivation that is suited for cultivation if properly treated and if the cropping system used provides the maximum living and dead plant material cover throughout the year. Any permanent solution of the wind-erosion problem in the Southern Great Plains would need to include the retirement of land not suited to cultivation to be converted to grass. This is a long time process but the Federal programs should be adapted to the extent feasible to bring about benefits in the long range.

The conservation work that has been done in the southern plains has been quite effective. Soil conservation district cooperators have fared relatively much better than farmers and ranchers who have not participated in the Department's conservation program. There are fewer acres of land not suited for cultivation in cultivation on these farms. Conversion of land not suited to cultivation to grass has continued on cooperating farms. Water-conservation practices have resulted in saving most of the moisture for crop use and stubble-mulch tillage has been effective in reducing blow damage.

Soil conservation district supervisors have assisted in organizing the emergency tillage program and in preparing for an emergency cover program. The emergency tillage practices of chiseling and listing are being utilized extensively and are proving effective in varying degrees throughout the area. Chiseling and listing are ineffective in the sandy light soils where cover crops offer the principal hope of controlling the erosion as soon as there is sufficient moisture to justify seeding. The combined experience of the farmers in this area, the county, State, and Federal agencies which are cooperating, trying to meet these problems, provides an invaluable experience to guide the future efforts for effective wind-erosion-control measures.

No budget estimate has been submitted for this work. If the Congress determines at this time that an additional appropriation should be made, it is believed that the funds should be utilized to assist in financing future wind-erosion-control measures related closely to practices which experience in the area shows will be effective in meeting immediate erosion problems and, to the extent feasible, will have long-range benefits. The Department believes that protective tillage measures should be considered as an initial step toward the long-range additional treatment necessary for a more lasting solution to the problem.

Under such a program particular emphasis should be given to cover crop practices and reseeding of land which is best suited for grazing. There should be authority for disseminating information about and lending encouragement to a much wider usage of conservation tillage and cropping practices which, during this emergency, have proven to be advantageous. Such additional funds, if provided, should be used on a cost-sharing

basis with the cooperating farmers similar to provisions of the current program. To insure that funds would be used for future constructive practices along the lines herein suggested, the language in the resolution would need to be modified or a statement included in the report to indicate this to be the intent of the Congress.

The following changes in the language of the resolution should be made to conform to the principles discussed above:

1. The present resolution would authorize payment of "not to exceed the cost per acre of the practices or $1 per acre, whichever is smaller." Limiting payments to $1 per acre would tend to discourage some of the most urgently needed but more expensive conservation work that has long-range benefits. We do not believe such a limitation necessary to prevent excessive payments. We favor payments being made on a cost-sharing basis and the restriction of payments of the full cost of emergency measures to producers who are unable to provide their part of the cost of such control measures. Therefore, we would expect producers who ask for the full cost to do so on the basis that they otherwise would not be able to carry out the needed conservation work. We believe the most beneficial use could be made of additional funds if they are administered in keeping with existing authority and policies. Therefore, we recommend that, except as noted above, any additional funds augment the regular agricultural conservation program for 1954 in the drought-designated area.

2. Senate Joint Resolution 144 would permit the payments authorized thereunder to be made without regard to limitations and adjustments in existing law. These consist of the provisions in section 8 (e) of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590h (e)), for increasing any payment under $200 and for limiting payments to $10,000, and the provision in the Department of Agriculture Appropriation Act, 1954, further limiting payments under the 1954 agricultural conservation program to $1,500. We believe that this $1,500 limitation should apply to all funds appropriated for 1954 programs.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ANDERSON subsequently said: Mr. President, I was detained in my effort to reach the Chamber when the amendment which provides $15 million for the agricultural conservation program was being considered. I realize that the amendment has been agreed to by the Senate, but I desired to express my appreciation to the able chairman of the committee and to the other members of the committee for so promptly acting upon the request after Senators had appeared before the committee.

I was pleased with the kindly way with which the chairman received me and other Members of the Senate. I wish to thank the chairman, the other members of his committee, and also the Members of the Senate for having acted so promptly on this urgently needed appropriation.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ROBERTSON. For myself and on behalf of the Senator from Mississippi [Mr. STENNIS], I send to the desk an amendment, and I ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 20, after line 13, it is proposed to insert:

DEPARTMENT OF THE ARMY,
MILITARY CONSTRUCTION, ARMY

The Secretary of the Army is authorized to rehabilitate, convert, or repair buildings numbered 737 and 747, Cadet Barracks, United States Military Academy, N. Y., in an amount not to exceed $497,000, utilizing military public works appropriations heretofore made available by the Congress.

Mr. ROBERTSON. Mr. President, the distinguished Senator from Mississippi [Mr. STENNIS] and I, as members of the Board of Visitors of the United States Military Academy, met last Monday with the officials of the Academy and went over some of their most immediate problems. One of the most urgent problems was the necessity to install running water in one of the old barracks. At present, the cadets who live on the fifth floor are required to go to the basement in order to obtain running water. The Board of Visitors, on two different occasions, have recommended this improvement to modernize the old barracks and to install running water on each floor.

The project has been approved by the Department of Defense and has been approved by the Bureau of the Budget. It is now a part of the construction bill which is pending before the Senate Committee on Armed Services. In all likelihood, that committee will report the bill favorably, and this matter would then become a part of the regular appropriation bill.

We have ascertained, by talking today with the military authorities, that there is already sufficient money with which to do the work. Everyone agrees that it ought to be done. But unless a start can be made on it by June 10, when the present session at the Academy ends, and the fourth-class men go on leave, it will be necessary to defer the work until next year, and a whole year would then be lost in doing a very necessary repair job.

The whole purpose of offering this amendment to the supplemental appropriation bill is to authorize the expenditure of funds already appropriated, so that a contract can be let between now and June 10, in order to permit construction work to be started and finished in time for the next academic year.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. STENNIS. Mr. President, this is a matter which was investigated by the Senator from Virginia and myself on Monday of this week. The need for this work is most urgent, and an item to cover it is now pending in an authorization bill before the Senate Committee on Armed Services. I have discussed the matter with the distinguished junior Senator from South Dakota [Mr. CASE], who is chairman of the Subcommittee on Military Construction, and who, unfortunately, cannot be in the Chamber at present. I am authorized to say that he feels as we do about the matter, even though it has not been presented to him in detail. He was interested in having the matter considered by the Senate in time to have the work done before the next school year begins.

Mr. BRIDGES. Mr. President, as chairman of the Committee on Appropriations, I shall use my prerogative to accept the amendment and take it to conference. I understand that the project has been approved by the Bureau of the Budget and has been recommended by the Department of Defense and by the Board of Visitors to the United States Military Academy. The amendment does not involve new money, but simply would authorize the transfer of funds already appropriated. I shall take the amendment to conference.

Mr. STENNIS. I sincerely thank the distinguished Senator from New Hampshire.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia for himself and on behalf of the Senator from Mississippi [Mr. STENNIS].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. BRIDGES. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BRIDGES, Mr. FERGUSON, Mr. CORDON, Mr. SALTONSTALL, and Mr. HAYDEN, Mr. RUSSELL, and Mr. MCCARRAN conferees on the part of the Senate.

EXTENSION OF TIME FOR COMPLETION OF STUDY AND INVESTIGATION OF PUBLIC TRANSPORTATION SERVING THE DISTRICT OF COLUMBIA

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the time within which the Committee on the District of Columbia may complete the study and investigation of public transportation serving the District of Columbia, authorized by Senate Resolution 140, 83d Congress, agreed to July 28, 1953, and extended by Senate Resolution 192, 83d Congress, agreed to January 26, 1954, may be extended from April 30 to May 1, 1954, and that the report of the committee may be filed with the Secretary of the Senate, during any recess of the Senate. I have consulted with the minority leader relative to this request.

Mr. JOHNSON of Texas. As stated by the distinguished majority leader, he has taken up this matter with me, and I have conferred with the minority members of the committee about it. They feel that the request is justified; therefore, I have no objection.

The PRESIDING OFFICER. Without objection, the unanimous-consent request is agreed to.

PRINTING OF REPORT OF INVESTIGATION OF LEAD AND ZINC INDUSTRIES BY TARIFF COMMISSION

Mr. JENNER. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, Senate Resolution 239, submitted by the Senator from Colorado [Mr. MILLIKIN] on April 22, 1954, and I submit a report (No. 1270) thereon. I ask unanimous consent for the present consideration of the resolution.

Mr. President, the resolution provides that the report of the Tariff Commission on the investigation of lead and zinc industries be printed as a Senate document. The estimated cost of the printing will be a little in excess of $8,000.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 239) was considered and agreed to, as follows:

Resolved, That the United States Tariff Commission Report on the Investigation of the Lead and Zinc Industries, conducted under section 332 of the Tariff Act of 1930, pursuant to a resolution by the Committee on Finance, be printed as a Senate document.

ADDITIONAL CLERK, COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. JENNER. Mr. President, from the Committee on Rules and Administration I report favorably Senate Resolution 224, reported by the Senator from Nebraska [Mr. BUTLER], from the Committee on Interior and Insular Affairs on March 31, 1954, and I submit a report (No. 1268) thereon. I ask unanimous consent for the immediate consideration of the resolution.

Mr. KNOWLAND. Mr. President, reserving the right to object, and I shall not object, the matter was discussed by the Chairman of the Committee on Rules and Administration with both the majority leader and the minority leader. I understand from the Senator from Indiana that the resolution has been reported unanimously by the committee, so I have no objection to it.

Mr. JOHNSON of Texas. We have no objection to the resolution or to its immediate consideration, but I think there should be made a brief explanation of it.

Mr. JENNER. The resolution authorizes the employment of one additional clerical employee by the Committee on Interior and Insular Affairs. Our investigation shows that similar authorization has been made for a period of 10 years.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 224) was considered and agreed to, as follows:

Resolved, That the Senate Committee on Interior and Insular Affairs is authorized from May 1, 1954, through January 31, 1955, to employ one additional clerical assistant to be paid from the contingent fund of the Senate at a rate of compensation to be fixed by the chairman in accordance with the provisions of section 202 (e) of the Legislative Reorganization Act of 1946, as amended, and Public Law 4, 80th Congress, approved February 19, 1947, as amended.

EXTENSION OF AUTHORITY TO INVESTIGATE FUEL RESERVES AND THE FORMULATION OF A FUEL POLICY

Mr. JENNER. Mr. President, from the Committee on Rules and Administration I report favorably Senate Resolution 233, submitted by the Senator from Nebraska [Mr. BUTLER] from the Committee on Interior and Insular Affairs on April 20, 1954, and I submit a report (No. 1269) thereon. I ask unanimous consent for the immediate consideration of the resolution.

The resolution asks for the extension of authority to investigate fuel reserves and the formulation of a fuel policy. No new money is involved. Thirty-eight hundred dollars already has been authorized.

Mr. JOHNSON of Texas. What is the period involved in the extension of authority?

Mr. JENNER. I understand it is until January 31, 1955.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the resolution (S. Res. 233) was considered and agreed to, as follows:

Resolved, That the authority of the Committee on Interior and Insular Affairs, or any duly authorized subcommittee thereof, under Senate Resolution 45, 83d Congress, agreed to February 20, 1953 (providing for a study and investigation of the fuel reserves and to formulate a fuel policy of the United States), is hereby continued during the period beginning on February 1, 1954, and ending on January 31, 1955.

EXTENSION OF TIME FOR INVESTIGATION OF ACCESSIBILITY AND AVAILABILITY OF SUPPLIES OF CRITICAL RAW MATERIALS

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar 1232, Senate Resolution 235, a resolution extending the time for the investigation of the accessibility and availability of supplies of critical raw materials.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. JENNER. Mr. President, I might explain that the resolution was reported by the Committee on Rules and Administration unanimously. It merely provides for an extension of time for the subcommittee to complete its report.

Mr. JOHNSON of Texas. That is the so-called Malone subcommittee, is it not?

Mr. JENNER. Yes.

Mr. JOHNSON of Texas. Mr. President, we have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 235) was considered and agreed to, as follows:

Resolved, That the authority of the Senate Committee on Interior and Insular Affairs under Senate Resolution 143, 83d Congress, agreed to July 28, 1953, and Senate Resolution 171, 83d Congress, agreed to January 26, 1954 (authorizing a full and complete investigation and study of the accessibility of critical raw materials to the United States during a time of war), is hereby extended through May 31, 1954, to conclude committee hearings and until June 30, 1954, to render a final report.

INVESTIGATION OF ESTABLISHMENTS AND OPERATION OF EMPLOYEE WELFARE AND PENSION FUNDS

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1228, Senate Resolution 225, to authorize the Committee on Labor and Public Welfare to investigate the establishment and operation of employee welfare and pension funds under collective-bargaining agreements.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 225) to authorize the Committee on Labor and Public Welfare to investigate the establishment and operation of employee welfare and pension funds under collective-bargaining agreements.

Mr. KNOWLAND. Mr. President, the chairman of the Committee on Labor and Public Welfare discussed this matter with me and with the minority leader. As I understand, the minority leader has no objection to the present consideration of the resolution.

Mr. ELLENDER. Mr. President, will the Senator yield so I may make an inquiry?

Mr. KNOWLAND. I yield.

Mr. ELLENDER. May I ask how much money is involved?

Mr. KNOWLAND. The original amount requested was $95,000. The Committee on Rules and Administration reduced that to $75,000. That reduction in amount will be found on page 2 of the resolution.

Mr. ELLENDER. Does the resolution provide for a new committee or for the continuation of an existing one?

Mr. SMITH of New Jersey. If the Senator will yield so that I may answer that inquiry, a special committee was set up under the chairmanship of the Senator from New York [Mr. IVES] to investigate the welfare fund. That was done in accordance with the recommendation of the President of the United States in his message in connection with labor legislation. It would take some time to go into the question adequately, but the

pension funds are sometimes handled in accordance with State laws and sometimes under Federal regulation.

Mr. ELLENDER. This provision is not for a new committee?

Mr. SMITH of New Jersey. It relates to a subcommittee of the Committee on Labor and Public Welfare.

Mr. JOHNSON of Texas. As I understand, there was no controversy about the matter within the committee.

Mr. SMITH of New Jersey. No; there was not.

Mr. JOHNSON of Texas. It was supported by all the members of the committee?

Mr. SMITH of New Jersey. Yes. I was ill last week, and the Senator from Montana [Mr. MURRAY] asked for the appropriation, which was unanimously agreed to.

Mr. HAYDEN. Mr. President, if the Senator will yield, I should like to say that every labor organization in the country which maintains funds of the type covered by the resolution must report them to the Secretary of Labor, but from that point on nothing has been done to determine how such funds are managed. Legislation on this subject was recommended by the President, and the Committee on Rules and Administration has allotted $75,000 for the investigation.

Mr. JOHNSON of Texas. I wish to congratulate the distinguished Senator from New Jersey [Mr. SMITH] for the unanimity which exists in the committee on the subject.

Mr. SMITH of New Jersey. I hope that same unanimity will be achieved when the Senate begins debating the amendments.

Mr. JOHNSON of Texas. Is there anything in the record of the committee which justifies such a prediction?

Mr. SMITH of New Jersey. There are a few things, but I do not necessarily say that such unanimity exists on every point.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 225) to authorize the Committee on Labor and Public Welfare to investigate the establishment and operation of employee welfare and pension funds under collective-bargaining agreements, which had been reported from the Committee on Rules and Administration with amendments, on page 2, line 1, after the word "date", to insert "but not later than January 31, 1955", and in line 8, after the word "exceed", strike out "$95,000" and insert "$75,000", so as to make the resolution read:

Resolved, That the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation with respect to the establishment and operation of employee welfare and pension funds under collective-bargaining agreements, for the purpose of ascertaining whether legislation is necessary for the conservation of such funds and the protection of the interests of the beneficiaries thereof. The committee shall report its findings, together with such recommendations as it may deem advisable, to the Senate at the earliest practicable date but not later than January 31, 1955.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $75,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The amendments were agreed to.

The resolution, as amended, was agreed to.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, will the majority leader outline the plan which is intended to be followed during the remainder of the week, as nearly as he knows it?

Mr. KNOWLAND. When the Senate completes consideration of the classification bill, I expect to call up the International Sugar Agreement, which is on the Executive Calendar. When the International Sugar Agreement is disposed of, I intend to call up the bill providing for the public-works program in the District of Columbia. I think consideration of those bills will consume most of the remainder of the week. If the Senate completes action on those bills by the time the Senate is ready to recess for the week end, I shall move to have made the unfinished business the bill amending the so-called Taft-Hartley law, have debate on that measure, and vote on the amendments next week.

Mr. JOHNSON of Texas. So far as the majority leader knows, can the Senate have the assurance that the majority leader plans to have no votes on the amendments to the Taft-Hartley law this week?

Mr. KNOWLAND. I would say it is a safe assumption that there will be no votes on the amendments to the Taft-Hartley law this week. I should want the Senate to be prepared to act on any conference reports which may be received. However, the Senate has assurance that there will be no voting on the amendments to the Taft-Hartley law this week.

GOVERNMENT EMPLOYEES' FRINGE BENEFITS

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1195, Senate bill 2665, a bill to amend the Classification Act of 1949, as amended, the Federal Employees' Pay Act of 1945, as amended, and for other purposes. When the motion to consider the bill is agreed to, I intend to suggest the absence of a quorum.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2665) to amend the Classification Act of 1949, as amended, the Federal Employees' Pay Act of 1945, as amended, and for other purposes.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CARLSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CARLSON. Mr. President, I appreciate this opportunity to discuss with the Members of the Senate the bill (S. 2665) which I introduced and which recently was approved unanimously by the Committee on Post Office and Civil Service. I sincerely hope we can give prompt and favorable consideration to this highly significant measure.

President Eisenhower has recommended a number of proposals which he feels should be considered by the Congress as essential to improved personnel management in the Federal service. This bill would carry out many of the changes proposed by the President, and will be of great benefit to both the Government and its employees. Federal employees will be provided with many of the employment benefits and privileges now given to employees in private industry throughout our country, and many present inequities among groups of employees will be eliminated. The Government itself should achieve more efficient and economical operation by attracting and keeping well-qualified personnel, through providing improved conditions of employment.

This bill is the product of extensive consultation and careful research on the personnel management needs of the Federal civil service. Over the past several months, the Post Office and Civil Service Committee has analyzed staff studies and Government agency reports, conducted public hearings, and consulted with Federal employee organizations on personnel practices and problems.

In the hearings, the Civil Service Commission and many other Government agencies strongly supported the proposed legislation. Federal employee organizations likewise endorsed the bill. All amendments suggested by these interested agencies and groups were thoroughly studied by the committee, and a number of their recommendations have been incorporated in the proposed legislation. In its present form, I believe the bill provides a comprehensive and forward-looking program for improvement of Government personnel practices.

At this time I should like to discuss briefly, the various proposals contained in the bill as approved by the committee.

First, the present Crafts, Protective and Custodial pay schedule of the Classification Act would be abolished; and crafts, trades, and manual labor jobs now in that schedule would be paid on the basis of prevailing wage rates. About 69,000 crafts, trades, and labor

employees engaged in maintenance work are now paid under the CPC schedule of the Classification Act. More than 700,000 other employees performing similar work, having similar qualifications, and who are taken from the same civil-service lists, but are engaged in production and construction work, are now paid on the basis of local prevailing wage rates. For example, a carpenter who is hired to do maintenance work on a Government building is paid at a fixed rate established by the CPC schedule, but a carpenter who is employed on production work is paid on a prevailing-wage basis.

The proposal to pay these maintenance workers on a prevailing wage basis would result in eliminating pay inequities between two large groups of employees. It would also place the Government in a better competitive position with private industry in hiring these skilled workers. More than 5 years ago, the Hoover Commission, in reporting to the Congress on its study of Federal personnel management, recommended that the rates of pay for all blue-collar workers should be fixed and adjusted in relation to prevailing local wage rates.

The remaining 47,000 jobs in the CPC schedule, largely guards, messengers, and fire fighters, would be transferred to the general schedule of the Classification Act. This would simplify the pay structure of the Classification Act by eliminating the entire CPC schedule.

In most cases, the employees involved will receive some increase in pay. No employee will have his present pay reduced as a result of this change.

Second, the bill would authorize longevity pay increases for all employees under the Classification Act up to and including grade GS–15. The Classification Act of 1949 established pay step increases above the regular top rate of an employee's grade as a reward for long and satisfactory service. An employee must have been in the same, equivalent, or higher grade for 10 years, and at the top pay for that grade for 3 years to be eligible for his first longevity increase. After the first, he can get 2 more such increases, each additional 1 requiring another 3 years of service. Under the present law these increases are limited to employees in grades GS–10 and CPC–10 and below.

Opportunities for advancement generally are more limited in the higher grades and the incentive value of longevity pay is important to encourage continuous and satisfactory service at these levels.

The bill proposes another change in longevity pay practice. At present if an employee is at the top rate of his grade, earning service toward the 3-year requirement for a longevity increase, and is reduced to the top rate of a lower grade, he must begin his period of longevity service over again in the lower grade. The bill will eliminate this inequity by allowing an employee to retain his service credit under these circumstances.

The Classification Act would also be amended to allow the Civil Service Commission to recruit people for hard-to-fill jobs at a rate higher than the minimum rate of the grade. The Commission's recruiting experience has shown that for certain types of jobs in specific localities, it is extremely difficult to secure qualified persons who will accept Federal employment at the minimum salary rate of the appropriate Classification Act grade. This authority is needed to help the Government compete with private industry for scarce occupational skills. It would be used only when the Civil Service Commission determines that offering a rate of pay higher than the minimum rate would result in filling positions which could not otherwise be filled.

Another important proposal concerns job classifications and pay in the top levels of the Federal civil service. The Classification Act now provides for 400 jobs in the top 3 grade levels, that is, grades GS–16, 17, and 18, with pay ranging from $12,000 to $14,800 a year. The act allows 25 positions in grade 18, 75 in grade 17, and 300 in grade 16. The bill would increase the total Classification Act authorization limit from 400 to 700 and would remove the limit on the number of positions in each grade, but would not affect such positions established under other authorities. The bill also provides that the positions of senior specialists in the Legislative Reference Service of the Library of Congress, in addition to the other 700 authorized, may be placed in grades 16, 17, and 18.

Additional positions at grades 16, 17, and 18 are needed to meet Government program requirements, to maintain sound and fair pay practices, and to permit accurate job classifications. A recent survey shows that at least 300 additional positions spread among more than 25 agencies warrant classification above grade GS–15 at this time. Almost half of these jobs are in the fields of engineering and scientific research for which there is a critical shortage of qualified personnel. Many others include the heads of important administrative organizations or are key Government positions in such fields as law and accounting. Providing appropriate pay for these jobs will place the Government in a better competitive position with private employers.

None of these 300 positions which require classification above grade 15 can be placed in the correct grade because of the present Classification Act ceiling. The limitation on numbers of positions at each grade over GS–15 also hampers effective administration and correct job classification. For example, although a position warrants classification at grade 17, it may be impossible to place it in that grade because the quota for grade 17 positions is filled. As a result, the position must be placed in grade 16, depending on the availability of "spaces" in that grade, or even in grade 15.

Increasing the ceiling and removing the limits on numbers of jobs in each grade over GS–15 as proposed by this bill should meet present operating needs, and eliminate the inequities and necessarily poor practices I have described.

Other than temporary wartime legislation, the Federal Employees Pay Act of 1945 was the first general law providing overtime, night, and holiday pay for salaried employees of the Federal Government outside the postal service. With minor changes, the 1945 statute has remained the basic authority for these premium pay provisions.

The bill would make a number of needed changes in premium pay practices affecting Government workers. These changes are designed (a) to adjust the overtime pay rates of the Federal Employees Pay Act, primarily to take account of changes in basic salary schedules since 1945, and (b) to revise the other premium pay provisions of the act in the light of administrative problems which have arisen during the nearly 9 years of the act's operation.

First. The bill provides time and one-half overtime on salaries up to the top of grade GS–9, now $5,810 a year, and provides the same dollars and cents rate at all higher salaries as it provides for the top GS–9 salary.

The Federal Employees Pay Act now provides a time-and-one-half overtime rate for employees whose salaries do not exceed $2,980 a year. Above this salary level, overtime pay is on a diminishing scale. The bill would increase the limit to $5,810. This scale decreases from the full time-and-one-half rate at $2,980 to less than half the employee's straight-time rates. The time-and-one-half overtime rate should be extended to salaries above the present $2,980 maximum. This is necessary to maintain a reasonable degree of consistency with the original intent of the act, standards set for industry by Federal statutes and regulations, and existing practices of American industry.

The proposed time and one-half up to the top rate of grade GS–9 excludes from the full overtime rate employees in the executive group and the higher professional levels. At the same time, it would extend the time-and-one-half rate to certain groups with special overtime problems, such as quarantine inspectors of the Public Health Service, and to the lower levels of engineering and scientific positions, where the existing rates of the Federal Employees Pay Act have proved disadvantageous to the Government and discouraging to the employees.

The bill changes the present ceiling of $10,330 on base pay plus premium pay to the top rate of grade GS–15, now $11,800. This takes account of changes in salary schedules since 1945, and restores the ceiling to a level reasonably consistent with the level set at that time.

Second. Another basic proposal concerns certain types of Federal work, such as that performed by fire fighters and FBI and Treasury agents, which are not well suited to ordinary premium pay provisions. The bill would permit agencies, with the approval of the Civil Service Commission, to pay employees, such as fire fighters, who have long tours of duty including substantial amounts of standby duty, on an annual basis for such duty. This additional annual pay could not exceed 25 percent of the employees base pay, and would take the place of all other premium pay.

Agencies would also be permitted, with the approval of the Civil Service Commission, to pay additional annual pay in lieu of hourly compensation to employees such as FBI and Treasury agents whose hours of duty cannot be controlled

administratively and whose jobs require substantial amounts of irregular and unscheduled overtime. Special emergency duty is frequently required in this type of work. This additional annual pay could not exceed 15 percent of the employee's base pay, and would take the place of hourly pay for all unscheduled overtime, night, and holiday work. The maximum rate for this group is limited to 15 percent of base pay since they would continue to receive standard overtime pay for overtime duty regularly set by the head of the agency, such as extending the workweek to 48 hours.

These annual pay differentials will greatly simplify premium pay administration and will give fair pay to employees whose peculiar working conditions now result in overtime work without overtime pay.

Third. Agency heads now must pay employees at all levels in money for irregular or occasional overtime duty, unless the employee requests time off instead of pay. The agency has no right of election in this matter. The bill gives agencies the option to require employees paid above the top of grade GS–9 to take time off instead of overtime pay for such duty. It would continue to require agencies to pay employees up to the top of grade GS–9 in money unless the employee requests time off for such irregular or occasional overtime work. This would bring the law into closer conformance with actual practice at the higher grade levels.

Fourth. In keeping with general practice in American industry the bill would authorize a minimum of 2 hours pay at the overtime rate for employees called back for overtime work on their days off or after they have finished the regular day's work. This will compensate employees for being called back on assignments of such short length that pay for only time on duty would be inadequate as compared with the inconvenience involved.

Fifth. Other proposals would make very minor changes in night differential pay provisions to meet specific administrative problems that have arisen, and would enact into law the principles currently expressed in rulings of the Comptroller General on overtime of employees in a travel status.

The proposed legislation also would express as congressional policy certain principles concerning tours of duty. The policies expressed would be followed except where an agency would be seriously handicapped in carrying out its functions or where costs would be substantially increased. This will provide a clear-cut statement of policy, assuring employees that they will not be unnecessarily assigned to undesirable tours of duty. At the same time it will permit agencies to schedule unusual tours of duty where absolutely necessary to Government functions.

Another major feature of the proposed legislation is the establishment of a uniform and progressive Government-wide employees-incentive awards program.

At present, monetary and honorary awards for Federal civilian employees are authorized under a number of different laws, and are administered by a number of different agencies. For example, the Civil Service Commission is responsible for superior accomplishment pay increase awards under title VII of the Classification Act of 1949, as amended, while the Bureau of the Budget is responsible for cash awards for efficiency under title X of the Classification Act. The bill consolidates legislative authority for all monetary awards and honorary recognition for employee suggestions, inventions, superior accomplishments, personal efforts contributing to the efficiency, economy, or other improvement of Government operations, and special acts or services in the public interest. In addition, it places authority for program direction in the Civil Service Commission, thus eliminating the present split responsibility. This will greatly improve and simplify administration of a coordinated Government-wide program.

The bill authorizes Presidential honorary awards for exceptionally meritorious civilian service. This type of award would recognize high achievement and should provide a valuable incentive to improved employee performance.

The bill will make important changes in the coverage of the awards program. At present, many employees cannot receive recognition for accomplishment simply because they are paid under one pay authority rather than another. For example, cash awards for efficiency under title X of the Classification Act, and pay increase awards for superior accomplishment under title VII, are available only to employees paid under the Classification Act. Employees paid under wage-board authority and under the Postal Pay Act are not eligible for either of these types of awards. The proposed legislation would make all Federal employees eligible for all types of awards. In this way, all employees can receive deserved recognition, and the Government can realize the value of work incentives to the greatest possible extent.

In order to give the Federal Government the fullest benefit of potential employee suggestions, the bill removes the present statutory limit of $25,000 on the total cash awards an agency can make in any 1 year for adopted employee suggestions. The military departments are already exempted from this restriction. At least one large agency, because of this restriction, has been forced to curtail its employee-suggestion program.

Also, the bill removes the present statutory limit of $1,000 on any one cash award for an employee suggestion, and the requirement that monetary awards for employee suggestions be based only on the amount of savings to be achieved in the employee's own agency. Monetary awards for suggestions or accomplishments should be based on the full amount of savings throughout the Government, and should be directly related to resulting savings without an arbitrary limit. The Civil Service Commission would establish controls to insure uniform administration and would set standards governing amount of cash awards.

Under this bill, awards for employee inventions would be brought into the governmentwide incentive awards program. At present there are statutory authorities for awards for employee inventions in some circumstances. These authorities differ in that they apply to different employee groups and do not afford uniform treatment. The proposed bill will establish a consistent and equitable program for employee invention awards.

Salary step increase awards for superior accomplishment would be abolished and cash awards provided in their stead. At present, superior accomplishment awards under title VII of the Classification Act are pay increases of salary steps in the employee's grade. Since the amount of such salary steps is greater in the higher grades, this results in the amount of these awards being based on the pay rate of the employee rather than on actual value of achievement. Also, it means that employees already at the top of their grade cannot receive such awards. Substituting cash awards for salary-increase awards will eliminate these inequities.

As approved by the committee, another major provision of the bill gives agency heads the authority to request appropriations for the payment of allowances for uniforms to employees now required by law or regulation to wear them. Where such funds are appropriated under this authority, agencies would have to pay out of these funds up to $100 a year to employees for the purchase and upkeep of required uniforms which are not furnished to them. The legislation provides that any amounts allowed for the same purpose under other law or regulation could be continued instead of paying the proposed uniform allowance. The allowances for uniforms would be paid under rules and regulations issued by the Bureau of the Budget.

The bill would repeal section 1310 of the Supplemental Appropriation Act, 1952, as amended—commonly known as the Whitten amendment—which places certain restrictions on Government personnel operations. The Whitten amendment served a useful purpose when Federal employment was being rapidly expanded during the Korean emergency. The emergency period has passed, and the committee believes that this amendment has now outlived its usefulness. Continuation of emergency personnel restrictions in legislation is producing serious administrative problems and inequities to employees.

The ceiling on permanent employment imposed by the amendment is based on personnel needs and operating conditions in September 1950. This limitation is unrealistic, since it bears no necessary relationship to the size of the work force needed at any later time or in any agency. By restricting permanent appointments, it limits the Government in offering the incentive of career status in recruiting, and results in a less stabilized work force. It is important to note that total employment levels are not reduced or controlled by the ceiling.

The limitations on permanent promotions continue to bring about serious inequities to employees throughout the Government. These limitations also complicate reduction-in-force operations by requiring a special retention grouping for permanent workers promoted on an indefinite basis. Other restrictions and requirements affecting such actions as

reinstatement also handicap effective personnel management.

Although this legislation has already been amended twice, old problems have not been taken care of, and new difficulties continue to appear. The Post Office and Civil Service Committee, which has primary responsibility for the subject matter involved, is convinced that the amendment should be repealed.

I firmly believe that the enactment of this bill will greatly improve Government operations by providing sound and modernized conditions of employment, and by strengthening employee work incentives and morale. I earnestly urge that the Members of the Senate give this measure immediate and favorable consideration.

The PRESIDING OFFICER (Mr. BARRETT in the chair). The Chair announces that all committee amendments were previously agreed to, with the exception of the one on page 3, line 15. The Secretary will state that committee amendment.

The LEGISLATIVE CLERK. On page 3, line 15, after the word "time", it is proposed to insert the following proviso:

Provided, That positions that may be established under the proviso of section 203 (b) (1) of the act of August 2, 1946 (60 Stat. 836), may be in addition to these 700.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 3, line 15.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JOHNSTON of South Carolina. Mr. President, I call up my amendment 4–20–54–A.

The PRESIDING OFFICER. Does the Senator desire to have his amendment read at this time? It is a lengthy amendment.

Mr. JOHNSTON of South Carolina. I do not believe it is necessary to do so. I am proposing to amend merely a part of the bill, and I can explain the amendment.

The PRESIDING OFFICER. Without objection, the amendment will not be stated, but it will be printed in the RECORD at this point.

The amendment of Mr. JOHNSTON of South Carolina is as follows:

Beginning with line 17 on page 15, strike out through line 11 on page 17, and insert in lieu thereof the following:

"SEC. 401. (a) Any officer or employee of any department, independent establishment, or agency (including Government-owned corporations), or the municipal government of the District of Columbia, in a position requiring him to regularly remain at, or within the confines of, his station during longer than ordinary periods of duty, a substantial part of which consists of remaining in a standby status rather than performing work, shall receive premium compensation for such duty on an annual basis in lieu of premium compensation provided by any other provisions of this act. Premium compensation under this subsection shall be determined by the head of the department, establishment, or agency, with the approval of the Civil Service Commission, as an appropriate percentage (not in excess of 25 percent) of such part of the basic compensation for any such position as does not exceed the maximum scheduled rate of basic compensation provided for grade GS–9 in the Classification Act of 1949, as amended, by taking into consideration the number of hours of actual work required in such positions, the number of hours required in a standby status at or within the confines of the station, the extent to which the duties of such position are made more onerous by night or holiday work, or by being extended over periods of more than 40 hours a week, and any other relative factors.

"(b) Any such officer or employee in a position in which the hours of duty cannot be controlled administratively, and which requires substantial amounts of irregular, unscheduled, overtime duty, and duty at night and on holidays with the officer or employee generally being responsible for recognizing, without supervision, circumstances which require him to remain on duty, shall receive premium compensation for such duty on an annual basis in lieu of premium compensation provided by any other provisions of this act, except for regularly scheduled overtime duty. Premium compensation under this subsection shall be determined by the head of the department, establishment, or agency, with the approval of the Civil Service Commission, as an appropriate percentage (not in excess of 15 percent) of such part of the rate of basic compensation for any such position as does not exceed the maximum scheduled rate of basic compensation provided for grade GS–9 in the Classification Act of 1949, as amended, by taking into consideration the frequency and duration of night, holiday, and unscheduled overtime duty required in such position."

Mr. JOHNSTON of South Carolina. Mr. President, I am offering the amendment also on behalf of the Senator from Alabama. [Mr. SPARKMAN], and I ask unanimous consent that his name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON of South Carolina. Mr. President, on page 15 of the bill my amendment proposes to amend section 401, and I should like to address myself to that section at this time. I seek to strike out section 401 and to insert in lieu thereof my amendment.

It will be noted that on page 15, line 22, of the bill, I propose to insert, after the word "employee", the words "of any department, independent establishment, or agency (including Government-owned corporations), or the municipal government of the District of Columbia."

On page 16, line 5, I propose to insert after the word "determined", the words "by the head of the department, establishment, or agency, with the approval of the Civil Service Commission."

On page 17, line 4, I propose to insert after the word "determined", the words "by the head of the department, establishment, or agency, with the approval of the Civil Service Commission."

The amendment would give each agency, department, and establishment the right to establish how much overtime an employee has earned. All the amendment does is to make it mandatory on the agency head to compensate the employe under the new schedule, which I believe to be only right and just. It should not be more expensive than it would be if each agency did its duty.

I have discussed the matter with the chairman of the committee, of which committee I am also a member, and I have discussed it also with some other members of the committee. The subject was not brought before the committee at the time the committee considered the bill. For that reason I am offering it as an amendment. I believe the chairman understands exactly what the amendment would accomplish. It would do justice to the employees.

Mr. CARLSON. Will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CARLSON. Mr. President, as the distinguished Senator from South Carolina has stated, the amendment was not considered by the committee. However, I have studied it, and I have had it checked with the Civil Service Commission. As I understand, instead of making the language of section 202 permissive, the amendment would make it mandatory. Is that correct?

Mr. JOHNSTON of South Carolina. That is correct. I propose to strike out the word "may", in line 20, on page 15, and substitute the word "shall." That would be the effect of the amendment.

Mr. CARLSON. I have no objection to the amendment. I believe it is in keeping with what we are trying to do in the bill, namely, to make more equitable the overtime pay laws for all Federal employees. I ask unanimous consent that I may have printed in the RECORD at this point a statement on the amendment prepared by the Civil Service Commission.

The PRESIDING OFFICER. Is there objection?

Mr. RUSSELL. Mr. President, reserving the right to object, I should like to ask the distinguished Senator from Kansas whether the cost would be increased by the amendment, and, if so, how much the increase would be.

Mr. CARLSON. I am trying to obtain that information from the Civil Service Commission. It is my personal opinion—and I am so advised by the representative of the Civil Service Commission on the floor—that it will not entail any additional cost.

Mr. RUSSELL. Mr. President, if it does not involve additional cost, I have no objection.

There being no objection, the statement submitted by Mr. CARLSON was ordered to be printed in the RECORD, as follows:

The existing language of section 202 (g) is permissive. It authorizes but does not require agencies, subject to the approval of the Civil Service Commission, to establish additional annual compensation, in lieu of hourly premium pay, for firefighters, investigators, and other groups with like working conditions. The permissive effect is accomplished by the word "may" in line 20 of page 15 of the bill. When an agency does not use the authority granted in section 202 (g) and does not establish additional annual compensation for such employees, they are covered by provisions for additional compensation on an hourly basis for overtime, night, and holiday work, just like other employees.

Senator JOHNSTON'S amendment would make mandatory the payment of additional compensation on an annual basis for all employees in these groups. No employee in the group covered by section 401 (a), e. g., firefighters, could receive any premium pay on an hourly basis. No employee in the group covered by section 401 (b) could receive premium pay on an hourly basis for irregular or unscheduled overtime or night or holiday work. He could receive premium pay on an hourly basis only for regularly scheduled overtime and that would be in

addition to his additional annual compensation authorized by section 401 (b).

The provisions of section 202 (g) of S. 2665 were made permissive to facilitate administration.

There are borderline cases where there would be a real question whether the conditions specified in section 202 (g) are met. If section 202 (g) is mandatory, such question must be resolved by legal interpretation, and the administrative desirability or undesirability of the results could not be considered.

If section 202 (g) remains permissive, however, an agency would not be compelled to establish annual rates of additional compensation for all positions meeting the general conditions specified. It could consider in each instance whether the results of such action would be good administratively. Thus, for example, annual rates could be established for groups where the requirements of the statute are clearly met and operation of existing hourly overtime, night, and holiday pay provisions have created or would create administrative problems. On the other hand, the normal hourly premium pay provisions could be left in effect for borderline groups or individual positions which have presented no problems under existing law, and where a change in practice might create more problems than it would solve.

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent that a statement on the amendment be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA

I now ask consideration of the amendment to be inserted on page 15, beginning with line 17 through line 11 on page 17.

This amendment is offered on behalf of the Senator from Alabama [Mr. SPARKMAN] and myself to make mandatory the provision for premium compensation to an employee serving in a position which requires him to remain at, or within, the confines of his station during longer than ordinary periods of duty, a substantial part of which consists of remaining in a standby status.

This amendment rewrites section 401, because it addresses itself to the part of the present bill which provides benefits up to 15 percent additional to base pay for irregular or unscheduled overtime, night, or holiday duty, for Federal employees such as investigators of criminal activities, including agents of the Federal Bureau of Investigation, and investigators of alcohol tax units, whose hours of duty cannot be controlled administratively and which require substantial amounts of irregular, unscheduled overtime duty at night or on holidays.

The agency heads will still retain the authority to establish the amount of overtime, or premium compensation, within the maximums set by the bill. My amendment would merely make it mandatory on the agency head to compensate the employees under the new schedule.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. JOHNSTON], for himself and the Senator from Alabama [Mr. SPARKMAN].

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. 502. Section 6 of the act entitled "An act to provide for the exemption from the Annual and Sick Leave Act of 1951 of certain officers in the executive branch of the Government, and for other purposes," approved July 2, 1953, is hereby repealed.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

Mr. RUSSELL. Mr. President, I certainly lay no claim to being an expert in the field of legislation affecting civil-service employees. I have followed several policies very consistently in voting on such legislation. On questions involving the extent of annual and sick leave that might be advanced to any employee of the Government I have always voted for the smallest amount and the shortest time. I did, however, have occasion to ascertain circumstances which affect the leave of employees accumulated during the war years. We all know that during the war years 1941 to 1945, inclusive, employees, particularly in the Defense Department, were not allowed to take their leave. Even if they had been allowed to take it, they could not have obtained transportation, so that they would have had to take it here in Washington. Many of them accumulated a great deal of leave. In some instances, I believe, it ran over 100 days. It may have been as much as 120 days. I am not positive as to that.

At the end of the war Congress passed an act which provided that those employees should be permitted to have 90 days of such leave, and that it would be available to them when they desired to take it. I regarded that, Mr. President, as a contract on the part of the Government.

Last year an act was passed by the Congress which authorized the heads of various agencies to make a regulation which would limit the leave to 30 days and compel the employees to take it. Information has come to me, Mr. President, that in some instances this regulation will have the effect of denying leave to some Federal employees. In my opinion, if that condition does exist, it is almost dishonest for the Government to deprive employees of leave which they were forced to accumulate during the war years.

The effect of the adoption of this amendment will be only to protect the leave which was allowed employees of the Government during the war, and which was ratified by an act of Congress enacted shortly after the end of the war.

Mr. CARLSON. Mr. President, the amendment offered by the distinguished Senator from Georgia would amend the Leave Act of 1953. The distinguished Senator from South Carolina [Mr. JOHNSTON] and I devoted considerable time to this matter a year or two ago. We had in mind trying to force an orderly liquidation of accumulations of leave so as to avoid a cost to the Government which might run into millions of dollars. We wished to bring it about in a way which would not be injurious to employees who had accumulated leave and who were unable to use it. There were some who accumulated leave and did not take it all.

I am sympathetic with what the Senator from Georgia is trying to do, but it does involve, when analyzed, a large sum of money.

Mr. RUSSELL. Mr. President, I certainly do not want to take any action that is going to cost the Treasury more money. The leave has been accumulated and the employees are entitled to it.

Mr. CARLSON. I think the Senator will recall that there were individuals in high positions who took large amounts of leave.

Mr. RUSSELL. I do not think they are entitled to any leave. I do not wish the amendment to apply to them. The amendment is for the benefit of employees in grades 4 and 5 who have once had their leave refused, and the effect of this proposed legislation is to take more leave away from them.

Mr. CARLSON. I will say to the distinguished Senator that I am in accord with his views. I have no doubt that experience has proved that there have been injustices.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. JOHNSTON of South Carolina. Mr. President, when this question was before the conference, we opposed clamping down on the employees and taking away from them what we considered at that time was their right. We tried to save as much as we could. The House conferees wanted to take away all the accumulated leave, but we were able to save as much as 30 days.

I suggest that the amendment be taken to conference so that we may ascertain how far the House will go along with us on the amendment.

Mr. CARLSON. Mr. President, I shall be glad to take the amendment to conference.

Mr. President, I ask unanimous consent that I may place in the RECORD a statement from the Civil Service Commission on this question.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

This amendment would add to the bill a new section which would repeal section 6 of the act entitled "An act to provide for the exemption from the Annual and Sick Leave Act of 1951 of certain officers in the executive branch of the Government, and for other purposes," approved July 2, 1953.

Section 6 of the 1953 leave act amendment directs heads of Federal agencies to have annual leave accumulations in excess of 30 days (45 days for certain employees overseas) reduced to these limits through gradual use within a reasonable period of years. Most agencies have adopted formal policies and plans for this purpose. Generally they provide for the gradual use of all accumulated annual leave over the allowable limits within periods ranging from 4½ to 10 years. The plans typically require that employees use either 10 percent or 6 days of the excess leave each year until the accumulation is reduced to the 30- or 45-day limit allowed by the law.

Many Federal agencies indicate that the required reduction approach is criticized by employees on the grounds that (1) the existing accumulations are their sole financial protection against unemployment, and (2) they had to forego leave during World War II and now prefer to hold the resulting accumulations as a cash reserve, rather than use them gradually by taking more time off each year.

A number of agencies report that the reduction through required use approach has created administrative problems. These agencies report that the reduction requirement (a) results in loss of employee time on duty; (b) impairs operating efficiency; (c) aggravates previous and creates new leave scheduling problems; (d) brings about serious difficulties in staffing one-of-a-kind jobs; (e) results in additional hiring, overtime work, and replacement problems and costs.

The present accumulation limits prevent any further excess annual leave accumulations. If the gradual use requirement were repealed, existing excess accumulations would still be reduced as employees with such accumulations used excess leave and accumulations were paid off when employees resigned, retired, or died. In brief, new excess accumulations could not come about, and existing excess accumulations could only be reduced. Thus, the excess accumulations inevitably would disappear without any positive action to reduce them.

Senator RUSSELL'S amendment would eliminate the present statutory provision for reduction through required gradual use. In addition to permitting elimination of excess leave accumulations through voluntary use and employee turnover, repeal of the present requirement would (1) remove a source of employee dissatisfaction, (2) eliminate administrative problems, and (3) save whatever extra costs are involved in enforcing the required use plan.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. RUSSELL].

The amendment was agreed to.

Mr. RUSSELL. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Georgia.

The LEGISLATIVE CLERK. On page 3, line 13, it is proposed to strike out the words, "seven hundred" and insert the words "four hundred."

Mr. RUSSELL. Mr. President, the bill, at page 3, line 13, deals with positions in grades 16, 17, and 18 of the general schedule, and it provides for the creation of 300 in these grades, which were, as I recall, first created in 1949. The pay in these grades is, of course, the highest of any of the salaries received by employees under the civil service. It ranges from $12,000 a year to $14,800 a year.

Mr. President, 400 of those positions were created by the Classification Act of 1949. Since that time, by various acts, 100 more have been created. The last positions of such grades and ratings were created in the Supplemental Appropriations Act of 1954 when we created 65 more of these high-salaried positions for the Department of Defense.

Mr. President, my position in moving to reduce the number of these high-grade positions is in nowise dictated by political considerations. During the time when the Democratic Party was in power, as a member of the Appropriations Committee, I consistently opposed continued efforts of the heads of the various governmental agencies to create large numbers of these high-salaried positions. In most instances, the Appropriations Committee did eliminate from the budget estimates requests for an increased number of high-salaried positions. I believe that the political party in power, the one which has the reins of the administration, is entitled to fill every policymaking position in the Government. The responsibility of administering the Government is theirs, and they should be permitted at the policymaking levels to have the instruments and the tools they desire in an effort to discharge the responsibilities of government. However, I can see no justification whatever for increasing by 300 this high-salaried supergrade of official created in 1949.

We have heard a great deal about the fact that this administration is dedicated to economy in government. I submit that to create 300 more of such positions in the salary grades of from $12,000 to $14,800 is not economy. If the administration needs any authority to fill its policymaking positions, and will recommend legislation for that purpose—I do not know that that is involved here—I shall be glad to support it. But on my own behalf, and on behalf of the Senator from Virginia [Mr. BYRD], I have offered an amendment which would eliminate this increase of 300 high-salaried positions. The number has grown from 400, under the original bill, until now there are, in the Government, 826 of the superclassifications. It seems to me that at a time when we are told that the total number of employees in the Government is being constantly reduced, the administration should be able to get along with the same number of supergrades as were available to the last administration, rather than more. If the number of employees under the present administration has been decreased to the extent which has been asserted, it would seem to me that the administration would not desire to have 300 additional superclassifications.

In my opinion, Congress should stop this trend, which is, in effect, a method of quasi-patronage or else is an upgrading by the creation of new positions, to which employees who have recently come into the Government might be assigned. I hope the Senate will agree to the amendment.

Mr. CARLSON. Mr. President, if the distinguished Senator from Georgia will permit me to consider this question with him for a few minutes, in view of the situation confronting the Government at the present time, I am certain he will agree with me that there is some justification for and merit in the proposal to provide the 300 positions.

In August 1951, the President set a maximum limitation of 300 top-grade positions under the Defense Production Act. After the passage of the Defense Production Act amendment of 1953, the maximum limitation was reduced by the present President to 160. In the absence of other legislation, these 160 supergrade classifications will expire on June 30, next year.

An additional 266 positions come under special statutory authorities requiring Civil Service Commission approval.

Another 39 positions come under special statutory authority not requiring Civil Service Commission approval. Thus there is a total of 865 of these positions.

It is my hope that the Senate will place these positions in the agencies to which they belong, so that whenever an agency requests or desires the supergrade positions, it must justify such positions.

I wish to read for the record some of the requests for these positions received by the Civil Service Commission. They are top-level positions which must be filled by persons with outstanding qualifications.

The positions are as follows:

Typical jobs to be included in supergrades if additional 300 are approved by Congress

Title of position	Agency	Grade recommended by CSC
Administrator, Foreign Service and Trade Programs	Department of Agriculture	GS-17.
Economic Adviser on Budgetary Policy	Bureau of the Budget	GS-17.
Deputy Assistant Secretary (for Administration) and Director of Personnel.	Department of Commerce	GS-17.
Deputy Chief, Weather Bureau	Weather Bureau	GS-16.
Associate Director (Physics)	Bureau of Standards	GS-16.
Deputy Director of Public Health	District of Columbia government	GS-16.
Deputy Governor and Director of Cooperative Bank Service.	Farm Credit Administration	GS-16.
Deputy Commissioner	Immigration and Naturalization Service	GS-17.
Associate Director, Testing, Calibration, and Specifications.	National Bureau of Standards	GS-16.
Chief, Trial Section, Tax Division	Department of Justice	GS-16.
Deputy Assistant Secretary for Congressional Relations. Under policy direction of Assistant Secretary, is responsibility for planning and management of the Department's legislative program and coordination of legislation regarding United States foreign policy; direction of liaison by Department with congressional committees and their staff.	Department of State	GS-17.
General Counsel	U. S. Tariff Commission	GS-16.
Deputy Assistant Secretary for Personnel	Department of State	GS-16.
Deputy Assistant Director for Administration	U. S. Information Agency	GS-16.
Chief, Engineering Division	Export-Import Bank	GS-16.
Chief, Office of Security	U. S. Information Agency	GS-16.
Deputy Administrator for Veterans' Benefits	Veterans' Administration	GS-17.
Special assistant to Administrator	do	GS-16.
Deputy to the Secretary	Treasury Department	GS-17.
Assistant to the Secretary	do	GS-16.
Assistant General Counsel	do	GS-16.
Assistant to the Secretary	Department of Interior	GS-17.
Assistant Administrator	Bonneville Power Administration	GS-16.
Associate Commissioner	Bureau of Indian Affairs	GS-16.
Special assistant to the Director	Federal Mediation and Conciliation Service	GS-16.
Associate Director, Langley, Ames, and Lewis Laboratories.	National Advisory Committee for Aeronautics	GS-17.
Do	do	GS-16.
Controller	Post Office Department	GS-18.

These are requests which are pending before the Civil Service Commission at present, and which cannot be filled. It occurs to me that this is an opportunity for Congress to take control of the 700 positions and, instead of having them scattered throughout the agencies, to have them handled through the Civil Service Commission which, after all, is the agency which should deal with such positions.

Mr. RUSSELL. The amendment in nowise affects the right of the Civil Service Commission to deal with these positions. It does not touch the authority of the Commission at all. It lets the Civil Service Commission deal with them, just as under the present law. The amendment merely says that they shall have 300 fewer to deal with than the bill contemplates.

Mr. CARLSON. The Civil Service Commission has advised me that they have been besieged by requests for authority to fill these positions at grades GS–16, 17, and 18. If we do not approve this provision, the departments and agencies will then seek such authority on a piecemeal basis from the Appropriations Committee, through riders to appropriation bills.

Mr. RUSSELL. The Committee on Appropriations has not granted one-tenth of the positions which have been created. It is true that some have been granted at times. That has usually been when some new function was created. Most of the additional positions have been created by Executive orders of the President of the United States.

The Appropriations Committee, in my opinion, has done a reasonably good job in holding down the number of these positions. I know we have rejected requests for a very large number of supergrade positions. There have been a few which were granted when new laws were passed, such as the Defense Production Act, to which the Senator has referred, and also the Civil Defense Act. But I believe that a careful study will show that the Committee on Appropriations has not created one-half of the 426 posisions which have been added to the 400 positions originally authorized by Congress.

Mr. CARLSON. I call attention to the fact that under the Independent Offices Appropriation Acts of 1952 and 1953, 19 new jobs were created.

In the Second Supplemental Appropriations Act of 1952, 54 jobs were created.

Then, in the legislative reorganization plan, to which the Senator has referred, 99 new positions were created.

In the Supplemental Appropriation Act of 1951, 26 new jobs were created.

In the Supplemental Appropriations Act of 1954, 65 additional jobs were created.

Mr. RUSSELL. Less than one-third of them have been created by the Committee on Appropriations. If the Senator from Kansas wishes to offer an amendment which will give the Civil Service Commission the power to assign all of those which have been created, I shall be happy to support it.

What I am opposing is the creation of 300 new positions, high-grade positions. In addition to that, the bill gives the Civil Service Commission authority to put all 300 positions in the very highest category, if they so desire. It seems to me that that is not a very desirable state of affairs. It certainly smacks of political appointment for a man to be immediately assigned to grades 16, 17, and 18, without going through any of the lower grades.

The bill would give authority to put all 700 positions in the grade 14 category. Certainly the number of these high classification employees should be reduced.

Mr. CARLSON. Anticipating that the Senator from Georgia might make such a suggestion, I had the committee staff prepare an amendment which reads as follows:

> No position shall be placed in grades 16 and 17 of the General Schedule except by action of or after prior approval by the Commission.

In other words, the Commission would have complete control. Thus the Committee on Appropriations could not create these positions without the approval of the Commission.

Mr. RUSSELL. I subscribe fully to that proposal. I have been unalterably opposed to the Committee on Appropriations creating these positions. Requests for such positions have been sent to the committee time and again by the Bureau of the Budget, during the past 5 years, since the law was passed. I have opposed every such request in the Committee on Appropriations.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. JOHNSTON of South Carolina. When we were considering the bill, a request had been made for 700 such positions. In all fairness, we reduced the number to 400 at that time, thinking that the Government could get by all right. So the positions were not authorized through our committee; they were authorized through the Committee on Appropriations. We would be glad to sit down with members of the Committee on Appropriations and to discuss these matters. I am on the side of the distinguished Senator from Georgia in the case of this particular amendment. At the same time, I do not want the agencies to go around by the back way through the Committee on Appropriations in order to obtain these positions.

Mr. RUSSELL. The Senator from Georgia can assure the Senator from South Carolina that he has fought every one of the increases in positions in these supergrades which has been proposed to the Committee on Appropriations. The agencies come forward with the most specious reasoning I have ever heard. In my opinion, the committee has rejected several hundred requests that were made of the committee. There is no excuse for creating 300 new positions, which can pay up to $14,800 a year, when we hear so much about economy in Government and reducing the numbers of employees.

Mr. JOHNSTON of South Carolina. The main objection I have to the amendment at present is that it promotes every one of the employees in grade 16. I think the Senator from Georgia will agree with me that when there is a position to be filled, which pays a certain amount, the chances are that the head of the department is going to be put in an embarrassing position unless he pays the top salary.

Mr. RUSSELL. As I have said, it smacks of political favoritism to put employees in the highest grade without requiring them to go through the lower grades.

Mr. CARLSON. Mr. President, I wish to offer an amendment which I hope will clarify the situation. First, the amendment would provide that none of the positions could be created without approval by the Civil Service Commission; second, there would be a limitation on the number in each of the three grades.

Mr. RUSSELL. Mr. President, I have no objection to the purpose of the Senator's amendment, but I do object to its applying to 1,126 positions, rather than to 826. I am perfectly willing that the power should apply to the 826 positions which now exist, but I still want to have a vote on my amendment to reduce the number from 700 to 400, instead of creating 300 new positions.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BARRETT in the chair). Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Georgia [Mr. RUSSELL].

Mr. RUSSELL. Mr. President, I have discussed this matter with the distinguished chairman of the committee and the distinguished ranking minority member of the committee. In view of those discussions, I now ask that my amendment be modified by striking out the words "four hundred" and inserting in lieu thereof "five hundred and fifty."

The PRESIDING OFFICER. The amendment will be modified accordingly.

Mr. RUSSELL. Mr. President, I may say that the distinguished chairman of the committee, in the amendment to which he referred earlier in the discussion, has now cataloged these positions as to grade, so that all of them will not be in the highest grade.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia, as modified.

The amendment, as modified, was agreed to, as follows:

> On page 3, in line 13, after the words "more than", to strike out "seven hundred" and insert in lieu thereof "five hundred and fifty."

The PRESIDING OFFICER. The Chair calls the attention of the Senator from Kansas and the Senator from Georgia to the fact that in line 18, on page 3, the words "seven hundred" appear again. The Chair assumes that, similarly, they should be changed to read "five hundred and fifty."

Mr. RUSSELL. Yes; they should also read "five hundred and fifty." I ask unanimous consent that that change be made, so as to accomplish the purpose we have in mind, and so as to correspond with the modified amendment I offered, on behalf of myself and the Senator from Virginia [Mr. BYRD].

The PRESIDING OFFICER. Without objection, that correction will be made in line 18.

Mr. RUSSELL. I am glad that has been done, Mr. President, because I wish to have our amendment, as modified, apply to both line 13 and line 18, on page 3.

Mr. CARLSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, it is proposed to strike out lines 7 to 18, inclusive, and to insert in lieu thereof the following:

SEC. 505. (a) No position shall be placed in grade 16 or 17 of the General Schedule except by action of, or after prior approval by, the Commission. At any one time there shall not be more than 400 positions in grade 16 of the General Schedule and not more than 115 positions in grade 17 of the General Schedule.

(b) No position shall be placed in or removed from grade 18 of the General Schedule except by the President upon recommendation of the Commission. There shall not be more than 35 positions in such grade at any one time.

(c) Positions that may be established under the proviso of section 203 (b) (1) of the act of August 2, 1946 (60 Stat. 836), may be in addition to those authorized by the foregoing provisions of this section.

Mr. CARLSON. Mr. President, this amendment provides that the ratio of the number of positions in each of these grades, 16, 17, and 18 shall be on the same basis as in the previous act creating the 400 original positions.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas [Mr. CARLSON].

The amendment was agreed to.

Mr. GORE. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Tennessee will be stated.

The CHIEF CLERK. On page 19, line 18, after the word "corporation", it is proposed to insert "(but not including the Tennessee Valley Authority)."

Mr. CARLSON. Mr. President, I have discussed this amendment with the Senator from Tennessee. I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. GORE].

The amendment was agreed to.

Mr. CARLSON. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Kansas will be stated.

The CHIEF CLERK. On page 3, between lines 5 and 6, it is proposed to insert:

(b) Section 204 (c) is amended to read as follows:

"(c) Section 202 (except paragraph 7 thereof) and section 203 shall not apply to the office of the Architect of the Capitol."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas.

Mr. CARLSON. Mr. President, I have received a letter from the Architect of the Capitol, David Lynn, in which he says:

A matter of urgency has come to my attention with respect to S. 2665, affecting employees under the Architect of the Capitol, which I respectfully submit for your consideration.

It is his contention that the bill creates inequities with respect to employees in his office and I trust the amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kansas.

The amendment was agreed to.

Mr. CARLSON. I ask unanimous consent that the letter which I received from Mr. Lynn be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ARCHITECT OF THE CAPITOL,
Washington, D. C., April 13, 1954.

Hon. FRANK CARLSON,
Chairman, Committee on Post Office and Civil Service, United States Senate.

MY DEAR MR. CHAIRMAN: A matter of urgency has come to my attention with respect to S. 2665, affecting employees under the Architect of the Capitol, which I respectfully submit for your consideration.

Under the provisions of the Classification Act of 1949, as amended, there are 467 full-time positions and 252 part-time charwomen positions under the Architect of the Capitol which are classified under that act as crafts, protective, and custodial grade employees. These employees are engaged in the structural, mechanical, and domestic care of the buildings on Capitol Hill, and other properties under the Architect of the Capitol. Their duties are similar to those performed by the building-maintenance and operation forces of the General Services Administration. Their positions have been subject to the Classification Act since 1929.

S. 2665 abolishes the crafts, protective, and custodial service now provided under the Classification Act and provides, in lieu thereof, that employees occupying such positions shall be paid on a local-prevailing-rate basis. Senate Report 1190, 83d Congress, contains the following statement with respect to the purpose of section 102 (a) of S. 2665:

"Section 102 (a) removes from the Classification Act those maintenance workers in crafts, trades, manual labor, and other similar positions now under the crafts, protective, and custodial schedule of the act, and provides that such employees shall be paid on a local-prevailing-rate basis."

S. 2665 accomplishes this change by amendment of paragraph (7) of section 202 of the Classification Act of 1949, as amended. Section 204 (c) of the Classification Act of 1949 provides as follows with respect to employees under the Architect of the Capitol:

"Sections 202 and 203 shall not apply to the Office of the Architect of the Capitol."

Accordingly, S. 2665, as reported in the Senate, April 6, 1954, results in abolishing the crafts, protective, and custodial service of the Classification Act, but leaves subject to that act maintenance workers under the Architect of the Capitol in crafts, trades, manual labor, and other similar positions now under the crafts, protective, and custodial schedule of the Classification Act.

In order that the purpose of section 102 (a) may be accomplished with respect to employees under the Architect, it is necessary that S. 2665 be amended by adding on page 3, after line 5, as reported to the Senate, the following language:

"Section 204 (c) is amended to read as follows:

" 'Section 202 and 203, except section 202 (7), shall not apply to the Office of the Architect of the Capitol'."

Approval of this language as a Senate floor amendment to S. 2665 is therefore necessary, to insure the uniform treatment intended by S. 2665 with respect to this class of employees.

Yours very truly,

DAVID LYNN,
Architect of the Capitol.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (S. 2665) was passed, as follows:

Be it enacted, etc.—

TITLE I—AMENDMENTS TO THE CLASSIFICATION ACT OF 1949, AS AMENDED

SEC. 101. This title may be cited as the "Classification Act Amendments of 1954."

SEC. 102. The Classification Act of 1949, as amended, is further amended as follows:

(a) Paragraph (7) of section 202 is amended to read as follows:

"(7) employees in recognized trades or crafts, or other skilled mechanical crafts, or in unskilled, semiskilled, or skilled manual-labor occupations, and other employees including foremen and supervisors in positions having trade, craft, or laboring experience and knowledge as the paramount requirement, and employees in the Bureau of Engraving and Printing the duties of whom are to perform or to direct manual or machine operations requiring special skill or experience, or to perform or direct the counting, examining, sorting, or other verification of the product of manual or machine operations: *Provided*, That the compensation of such employees shall be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates: *Provided further*, That whenever the Civil Service Commission concurs in the opinion of the employing agency that in any given area the number of such employees is so few as to make prevailing rate determinations impracticable, such employee or employees shall be subject to the provisions of the Classification Act of 1949, as amended, which are applicable to positions of equivalent difficulty or responsibility;".

(b) Section 204 (c) is amended to read as follows:

"(c) Section 202 (except par. 7 thereof) and section 203 shall not apply to the Office of the Architect of the Capitol."

(c) Section 505 is amended to read as follows:

"SEC. 505. (a) No position shall be placed in grade 16 or 17 of the General Schedule

except by action of, or after prior approval by, the Commission. At any one time there shall not be more than 400 positions in grade 16 of the General Schedule and not more than 115 positions in grade 17 of the General Schedule.

"(b) No position shall be placed in or removed from grade 18 of the General Schedule except by the President upon recommendation of the Commission. There shall not be more than 35 positions in such grade at any one time.

"(c) Positions that may be established under the proviso of section 203 (b) (1) of the act of August 2, 1946 (60 Stat. 836), may be in addition to those authorized by the foregoing provisions of this section."

(d) Section 601 is amended to read as follows:

"SEC. 601. There is hereby established for positions to which this act applies a basic compensation schedule to be known as the 'General Schedule,' the symbol for which shall be 'GS'."

(e) Section 602 is amended as follows:

(1) Strike out the "(a)" after "SEC. 602."

(2) Subsection (b) of said section is hereby repealed.

(f) Section 603 is amended as follows:

(1) Subsection (a) of said section is amended to read as follows:

"(a) The rates of basic compensation with respect to officers, employees, and positions to which this act applies shall be in accordance with the compensation schedule contained in subsection (b)."

(2) Subsection (c) of said section is hereby repealed.

(3) Subsection (d) of said section is relettered and amended to read as follows:

"(c) Whenever payment is made on the basis of a daily, hourly, weekly, biweekly, or monthly rate, such rate shall be computed from the appropriate annual rate specified in subsection (b) by the method prescribed in section 604 (d) of the Federal Employees Pay Act of 1945, as amended."

(g) Section 604 is amended to read as follows:

"SEC. 604. Employees receiving basic compensation at a rate authorized by law, immediately prior to the effective date of this title, in excess of the appropriate new rate of the grade as determined under paragraphs (1) to (10), inclusive, of section 604 (b) of this act, as in effect prior to the date of enactment of the Classification Act Amendments of 1954, may continue to receive such rate so long as they remain in the same position and grade, but when any such position becomes vacant, the rate of basic compensation of any subsequent appointee shall be fixed in accordance with this act."

(h) Section 703 is amended as follows:

(1) Subsection (a) is amended by striking out the words "change of grade or rate of basic compensation except such change as may be prescribed by any provision of law of general application" and inserting in lieu thereof the words "increase in grade or rate of basic compensation except such increase as may be prescribed by any provision of law of general application."

(2) Subsection (b) (1) is amended to read as follows:

"(b) (1) No officer or employee shall be entitled to a longevity step increase while holding a position in any grade above grade 15 of the General Schedule."

(3) Subsection (c) is amended by striking out "section 604 (b) (11), section 1105 (b)" and inserting in lieu thereof "section 604 or section 1105 (b) of this act, or section 103 (b) (4) of the Classification Act Amendments of 1954."

(i) Section 704 of such act is amended by adding at the end thereof a new sentence, as follows: "Service immediately preceding the date of enactment of the Classification Act Amendments of 1954 shall be counted toward longevity step increases under section 703 in the case of persons in grades 11 to 15, inclusive, who on such date are receiving compensation at the maximum scheduled rates for their respective grades."

(j) Section 802 (b) is amended by striking out "section 604 (b) (11), section 1105 (b)" and inserting in lieu thereof "section 604 or section 1105 (b) of this act or section 103 (b) (4) of the Classification Act Amendments of 1954."

(k) Section 803 is amended to read as follows:

"SEC. 803. (a) Whenever the Commission shall find (1) that a sufficient number of qualified eligibles for positions in a given class cannot be secured in one or more areas or locations at the existing minimum rate for such class, and (2) that there is a possibility that a sufficient number of such eligibles can be secured by increasing the minimum rate for such class in such areas or locations to one of the higher rates within the grade in which such class is placed, the Commission may establish such higher rate as the minimum rate for that class in each area or location concerned.

"(b) Minimum rates established under subsection (a) may be revised from time to time by the Commission. Such actions or revisions shall have the force and effect of law.

"(c) Any increase in rate of basic compensation resulting from the establishment of new minimum rates under this section shall not be regarded as an 'equivalent increase' in compensation within the meaning of title VII."

SEC. 103. (a) Not later than the first day of the first pay period which begins 6 months after the enactment of this act, all positions in the Crafts, Protective, and Custodial Schedule of the Classification Act of 1949, as amended, not excluded from such act by section 202 (7) thereof, as amended herein, shall be placed in corresponding grades of the General Schedule as set forth below:

Grade of the Crafts, Protective, and Custodial Schedule	Corresponding new grade of the General Schedule
1	1
2	1
3	1
4	2
5	3
6	4
7	5
8	6
9	7
10	8

(b) The rates of basic compensation of officers and employees to whom this section applies shall be initially adjusted as follows:

(1) If the employee is receiving a rate of basic compensation less than the minimum scheduled rate of the grade in which his position is placed, his compensation shall be increased to the minimum rate;

(2) If the employee is receiving a rate of basic compensation within the range of salary, including longevity rates, prescribed for the grade in which his position is placed, at one of the rates fixed therein, no change shall be made in his existing rate;

(3) If the employee is receiving a rate of basic compensation within the range of salary, including longevity rates, prescribed for the grade in which his position is placed, but not at one of the rates fixed therein, his compensation shall be increased to the next higher rate;

(4) If the employee is receiving a rate of basic compensation in excess of the maximum rate, including longevity rates, for the grade in which his position is initially placed, he shall continue to receive basic compensation without change in rate until (a) he leaves such position, or (b) he is entitled to receive basic compensation at a higher rate by reason of the operation of other provisions of the Classification Act of 1949, as amended; but when any such position becomes vacant, the rate of basic compensation of any subsequent appointee shall be fixed in accordance with the provisions of the Classification Act of 1949, as amended; and

(5) The conversion to grades of the General Schedule of positions covered by this section, and the initial adjustments in compensation as prescribed herein, shall not be construed to be transfers or promotions within the meaning of section 802 (b) of the Classification Act of 1949, as amended, and the regulations issued thereunder.

SEC. 104. (a) With respect to any employee and position, which, immediately prior to the date of enactment of this act, is subject to the Classification Act of 1949, as amended, but to which section 102 (a) of this title applies, this title shall take effect on the date or dates specified by the head of the respective department, but not later than the first day of the first pay period which begins after 12 months following the date of enactment of this act.

(b) With respect to employees and positions to which sections 102 (a) and 103 of this title apply, the provisions of the Classification Act of 1949, as amended, and any provisions of law and regulations controlling pay adjustments which were in effect on the date of enactment of this act, shall continue in effect for any such employee or position until compensation shall have been fixed in accordance with the provisions of this title.

SEC. 105. The Commission is hereby authorized to issue such regulations as may be necessary for the administration of this title.

SEC. 106. Nothing contained in this title shall be construed to decrease the existing compensation of any present employee, but when his position becomes vacant, any subsequent appointee to such position shall be compensated in accordance with the regular schedule applicable to such position.

TITLE II—PREMIUM COMPENSATION

SEC. 201. This title may be cited as the "Premium Compensation Act of 1954."

SEC. 202. The Federal Employees Pay Act of 1945, as amended, is further amended as follows:

(a) Section 101 is amended as follows:

(1) Subsection (a) is amended by striking out "titles II and III" and inserting in lieu thereof "titles II, III, and IV."

(2) Subsection (b) is repealed.

Compensation for overtime work

(b) Section 201 is amended to read as follows:

"SEC. 201. All hours of work officially ordered or approved in excess of 40 hours in any administrative workweek performed by officers or employees to whom this title applies shall be considered to be overtime work and compensation for such overtime work, except as otherwise provided for in this act, shall be at the following rates:

"(a) For officers and employees whose basic compensation is at a rate which does not exceed the maximum scheduled rate of basic compensation provided for grade GS–9 in the Classification Act of 1949, as amended, the overtime hourly rate of compensation shall be an amount equal to one and one-half times the hourly rate of such officer's or employee's basic compensation, and all of such amount shall be considered premium compensation.

"(b) For officers and employees whose basic compensation is at a rate which exceeds the maximum scheduled rate of basic compensation provided for grade GS–9 in the Classification Act of 1949, as amended, the overtime hourly rate of compensation shall be an amount equal to one and one-half times the hourly rate of such maximum rate, and all of such amount shall be considered premium compensation."

(c) Section 202 (a) is amended to read as follows:

"SEC. 202. (a) The head of any department, independent establishment, or agency, including Government-owned or controlled corporations, or the municipal government of the District of Columbia (1) may, at the request of any officer or employee, grant such officer or employee compensatory time off from his scheduled tour of duty in lieu of payment for an equal amount of time spent in irregular or occasional overtime work, and (2) may, at his own discretion, provide that any officer or employee, whose rate of basic compensation is in excess of the maximum scheduled rate of basic compensation provided for grade GS–9 in the Classification Act of 1949, as amended, shall be compensated for irregular or occasional overtime work for which compensation would be due under this act with not more than an equal amount of compensatory time off from his scheduled tour of duty in lieu of such compensation."

(d) (1) Section 203 is redesignated as section 205, and wherever such section number appears in such act or in any other provision of law it is amended to conform to the redesignation prescribed by this subsection.

(2) After section 202, insert the following new sections:

"Call-back overtime

"SEC. 203. For the purposes of this act, any unscheduled overtime work performed by any officer or employee on a day when no work was scheduled for him, or for which he is required to return to his place of employment, shall be considered to be at least 2 hours in duration.

"Time in travel status

"SEC. 204. For the purpose of this act, time spent in a travel status away from the official-duty station of any officer or employee shall be considered as hours of employment only when (a) within the days and hours of such officer's or employee's regularly scheduled administrative workweek, including regularly scheduled overtime hours, or (b) when the travel involves the performance of work while traveling or is carried out under arduous conditions."

Compensation for night and holiday work

(e) Section 301 is amended to read as follows:

"SEC. 301. (a) Any regularly scheduled work between the hours of 6 o'clock postmeridian and 6 o'clock antemeridian (including periods of absence with pay during such hours due to holidays, and any such hours within periods of leave with pay if such periods total less than 8 hours during any pay period) shall be considered nightwork, except as provided in subsection (b), and any officer or employee performing such work to whom this title applies shall be compensated for it at his rate of basic compensation plus premium compensation amounting to 10 percent of such rate, unless otherwise provided in this act, and except that this section shall not operate to modify the provisions of the act of July 1, 1944 (Public Law No. 394, 78th Cong.), or any other law authorizing additional compensation for nightwork.

"(b) The head of any department, independent establishment, or agency, including Government-owned or controlled corporations, may designate any time after 6 o'clock postmeridian and any time before 6 o'clock antemeridan as the beginning and end, respectively, of nightwork for the purpose of subsection (a) at any post outside the several States and the District of Columbia where customary hours of business extend into the hours of nightwork provided by such subsection."

(f) Section 302 of the Federal Employees Pay Act of 1945, as amended, is amended to read as follows:

"SEC. 302. (a) All work not exceeding 8 hours, which is not overtime work as defined in section 201 of this act and which is performed on a holiday designated by Federal statute or Executive order, shall be compensated at the rate of basic compensation of the officer or employee performing such work on a holiday plus premium compensation at a rate equal to such officer's or employee's rate of basic compensation. Any officer or employee who is required to perform any work on such a holiday shall be compensated for at least 2 hours of such work, and any such premium compensation due under the provisions of this section shall be in addition to any premium compensation which may be due for the same work under the provisions of section 301 of this act providing premium compensation for nightwork.

"(b) Overtime work, as defined in section 201 of this act, on Sundays and such holidays shall be compensated in accordance with the provisions of such section 201."

Special provisions for certain types of work

(g) After title III insert a new title as follows:

"TITLE IV—SPECIAL PROVISIONS FOR CERTAIN TYPES OF WORK

"SEC. 401. (a) Any officer or employee of any department, independent establishment, or agency (including Government-owned corporations), or the municipal government of the District of Columbia, in a position requiring him to regularly remain at, or within the confines of, his station during longer than ordinary periods of duty, a substantial part of which consists of remaining in a standby status rather than performing work, shall receive premium compensation for such duty on an annual basis in lieu of premium compensation provided by any other provisions of this act. Premium compensation under this subsection shall be determined by the head of the department, establishment, or agency, with the approval of the Civil Service Commission, as an appropriate percentage (not in excess of 25 percent) of such part of the basic compensation for any such position as does not exceed the maximum scheduled rate of basic compensation provided for grade GS–9 in the Classification Act of 1949, as amended, by taking into consideration the number of hours of actual work required in such positions, the number of hours required in a standby status at or within the confines of the station, the extent to which the duties of such position are made more onerous by night or holiday work, or by being extended over periods of more than 40 hours a week, and any other relative factors.

"(b) Any such officer or employee in a position in which the hours of duty cannot be controlled administratively, and which requires substantial amounts of irregular, unscheduled, overtime duty, and duty at night and on holidays with the officer or employee generally being responsible for recognizing, without supervision, circumstances which require him to remain on duty, shall receive premium compensation for such duty on an annual basis in lieu of premium compensation provided by any other provisions of this act, except for regularly scheduled overtime duty. Premium compensation under this subsection shall be determined by the head of the department, establishment, or agency, with the approval of the Civil Service Commission, as an appropriate percentage (not in excess of 15 percent) of such part of the rate of basic compensation for any such position as does not exceed the maximum scheduled rate of basic compensation provided for grade GS–9 in the Classification Act of 1949, as amended, by taking into consideration the frequency and duration of night, holiday, and unscheduled overtime duty required in such position."

Limitation on premium compensation

(h) Section 603 and the heading immediately preceding such section are amended to read as follows:

"Limitation on premium compensation

"SEC. 603. No premium compensation provided by this act shall be paid to any officer or employee whose rate of basic compensation exceeds the maximum scheduled rate of basic compensation provided for grade GS–15 in the Classification Act of 1949, as amended, or when any such premium compensation would cause such officer's or employee's rate of compensation, including basic compensation and premium compensation provided by this act, to exceed such maximum rate with respect to any pay period."

Work schedules

(i) (1) The heading immediately preceding section 604 is amended to read as follows:

"Establishment of basic workweek; work schedules; pay computation methods"

(2) Section 604 (a) is amended by inserting "(1)" after "(a)" and by adding at the end thereof a new paragraph as follows:

"(2) The head of each such department, establishment, and agency and the municipal government of the District of Columbia shall provide with respect to all officers and employees in his respective organization, except where he determines that such organization would be seriously handicapped in carrying out its functions or that costs would be substantially increased; that (A) assignments to tours of duty shall be scheduled in advance over periods of not less than 1 week, (B) the basic workweek shall be 40 hours, (C) such 40 hours shall be scheduled on 5 days, which shall be Monday through Friday, wherever possible, and the 2 days outside the basic workweek shall be consecutive, (D) the working hours in each day in the basic workweek shall be the same, (E) the basic nonovertime workday shall not exceed 8 hours, (F) the occurrence of holidays shall not affect the designation of the basic workweek, and (G) breaks in working hours of more than 1 hour shall not be scheduled in any basic workday."

(j) This title shall become effective at the beginning of the first pay period beginning after July 1, 1954.

TITLE III—GOVERNMENT EMPLOYEES' INCENTIVE AWARDS

SEC. 301. This title may be cited as the "Government Employees' Incentive Awards Act."

SEC. 302. The departmental awards program set forth in this title shall be carried out under such regulations and instructions as may be issued by the United States Civil Service Commission which shall annually report the results of the program, with related recommendations, to the President for transmittal to the Congress.

SEC. 303. As used in this title, the term "department" means an executive department or independent agency in the executive branch of the Government, including a Government-owned or controlled corporation (but not including the Tennesee Valley Authority), and also includes (a) the Administrative Office of the United States Courts, (b) the Library of Congress, (c) the Botanic Garden, (d) the Government Printing Office, (e) the Office of the Architect of the Capitol, and (f) the municipal government of the District of Columbia.

SEC. 304 (a) The head of each department is authorized to pay cash awards to, and

to incur necessary expenses for the honorary recognition of, civilian officers and employees of the Government who by their suggestions, inventions, superior accomplishments, or other personal efforts contribute to the efficiency, economy, or other improvement of Government operations or who perform special acts or services in the public interest in connection with or related to their official employment.

(b) In instances determined by the President to warrant such action, he is authorized to pay cash awards to, and to incur necessary expenses for the honorary recognition of, civilian officers and employees of the Government who by their suggestions, inventions, superior accomplishments, or other personal efforts contribute to the efficiency, economy, or other improvement of Government operations, or who perform exceptionally meritorious special acts or services in the public interest in connection with or related to their official employment, and by such Presidential awards may be in addition to the departmental awards authorized in subsection (a) of this section.

(c) Awards under this section may be paid notwithstanding the death or separation from the service of the officer or employee concerned: *Provided*, That the suggestions, inventions, superior accomplishments, other personal efforts, or special acts or service in the public interest forming the basis for the awards are made or rendered while the officer or employee is in the employ of the Government.

(d) A cash award under this section shall be in addition to the regular compensation of the recipient and the acceptance of such cash award shall constitute an agreement that the use by the United States of any idea, method or device for which the award is made shall not form the basis of a further claim of any nature upon the United States by the employee, his heirs, or assigns.

(e) Awards to employees and expenses for the honorary recognition of employees may be paid from the funds or appropriations available to the activity primarily benefiting or may be paid from the several funds or appropriations of the various activities benefiting as may be determined by the President for awards under subsection (b) of this section, and by the head of the department concerned for awards under subsection (a) of this section.

(f) An award under this title shall be given due weight in qualifying and selecting employees for promotion to positions in higher grades.

SEC. 305. The following laws and parts of laws are hereby repealed:

(a) Sections 702, 1002, and 1003 of the Classification Act of 1949 (63 Stat. 954; 5 U. S. C. 1122, 1152, 1153).

(b) Section 14 of the act entitled "An act to authorize certain administrative expenses in the Government service, and for other purposes," approved August 2, 1946 (60 Stat. 809; 5 U. S. C. 116a).

(c) The act entitled "An act authorizing payments of rewards to postal employees for inventions," approved December 3, 1945 (59 Stat. 591; 39 U. S. C. 813).

(d) The act entitled "An act authorizing the Secretary of War to pay a cash award for suggestions submitted by employees of certain establishments of the Ordnance Department for improvement or economy in manufacturing process or plant," approved July 17, 1912 (37 Stat. 193; 50 U. S. C. 58).

(e) The act entitled "An act to provide equitable compensation for useful suggestions or inventions by personnel of the Department of the Interior," approved June 26, 1944 (58 Stat. 360; 5 U. S. C. 500).

(f) Subsections (a) and (b) of section 35 of the act entitled "An act to enact certain provisions now included in the Naval Appropriation Act, 1946, and for other purposes", approved August 2, 1949 (60 Stat. 857; 5 U. S. C. 416).

(g) The joint resolution of March 13, 1944 (ch. 91, 58 Stat. 115) (46 U. S. C. 1111b).

(h) The second proviso in section 5 (1) of the act of May 18, 1933 (16 U. S. C. 831).

(i) All other laws or parts of laws inconsistent with this act are hereby repealed to the extent of such inconsistency.

SEC. 306. This title shall take effect on the 90th day after the date of its enactment.

TITLE IV—UNIFORM ALLOWANCES

SEC. 401. This title may be cited as the "Federal Employees Uniform Allowance Act."

SEC. 402. There is hereby authorized to be appropriated annually to each agency of the Government of the United States or of the District of Columbia (including Government-owned corporations), upon a showing of the necessity or desirability thereof, an amount not to exceed $100 multiplied by the number of the employees of such agency who are required by regulation now existing or by law to wear a prescribed uniform in the performance of his or her official duties and who are not being furnished with such uniform. The head of any agency to which any such appropriation is made shall pay, out of such appropriation, to each such employee an allowance for defraying the expenses of acquisition and upkeep of such uniform at such times and in such amounts, not to exceed $100 per annum, as may be prescribed by the head of such agency in accordance with rules and regulations promulgated pursuant to section 404. Where the payment of a uniform allowance is authorized under any other provision of law or regulation existing on the date of enactment of this act, the head of the agency may in his discretion continue the payment of such allowance under such provision of law or regulation, but where a uniform allowance is paid under any such law or regulation no allowance shall be paid under this section.

SEC. 403. Allowances paid under this title shall not be considered as pay, salary, or compensation within the meaning of the Civil Service Retirement Act of May 29, 1930, as amended, or as wages within the meaning of section 209 of the Social Security Act, as amended, or subchapter A or D of chapter 9 of the Internal Revenue Code, as amended.

SEC. 404. The Director of the Bureau of the Budget is authorized and directed to promulgate such rules and regulations as may be necessary to provide for the uniform administration of this title.

TITLE V—MISCELLANEOUS PROVISIONS

SEC. 501. Section 1310 of the Supplemental Appropriation Act, 1952 (Public Law 253, 82d Cong.), as amended, is hereby repealed.

SEC. 502. Section 6 of the act entitled "An act to provide for the exemption from the Annual and Sick Leave Act of 1951 of certain officers in the executive branch of the Government, and for other purposes," approved July 2, 1953, is hereby repealed.

COMPENSATION OF CERTAIN PERSONS DAMAGED BY FLUCTUATIONS IN THE WATER LEVEL OF THE LAKE OF THE WOODS, MINN.

Mr. MARTIN. Mr. President, on March 2, 1954, the Senate passed Senate bill 215, a bill to provide for determining the compensation of certain persons whose lands have been flooded and damaged by reason of fluctuations in the water level of the Lake of the Woods, Minnesota. On April 26, 1954, the House passed a similar bill, H. R. 2098, which is now at the desk. Since the language of the two bills is identical except for a minor amendment by the Senate, I ask unanimous consent for the present consideration of H. R. 2098, and that all after the enacting clause be stricken out, and that in lieu thereof the language of the Senate bill, S. 215, be inserted. I further request unanimous consent that the title be amended to conform to the title of the bill as passed by the Senate.

The PRESIDING OFFICER laid before the Senate the bill (H. R. 2098) to provide for the compensation of certain persons whose lands have been flooded and damaged by reason of fluctuations in the water level of the Lake of the Woods, which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Pennsylvania?

Mr. JOHNSON of Texas. Mr. President, reserving the right to object, will the Senator give us an explanation?

Mr. MARTIN. Senate bill 215 was passed on the call of the calendar on March 2, 1954. The bill is approved by the Army engineers and by the Budget Bureau. It approves the payment of certain damages by reason of the flooding of certain lands because of fluctuations in the water level of the Lake of the Woods, Minnesota. Compensation would be paid under a treaty arrangement between Canada and the United States. There is only a very small amount of money involved. The Senate bill was passed unanimously by the Senate. There is a slight difference between the House bill and the Senate bill.

Mr. JOHNSON of Texas. What is the difference?

The PRESIDING OFFICER. The clerk will state the committee amendment.

Mr. JOHNSON of Texas. Mr. President, I have no disposition to delay consideration of the bill, but this is the first information I have about it. This is not a good way to legislate. I wonder if the distinguished chairman of the committee will withhold his request until we have had an opportunity to review the question. Ordinarily the majority leader takes up in advance matters of this kind.

Mr. THYE. Mr. President, I think I can give an explanation, although I am not the author of the bill.

The water levels on Rainy River are controlled, as between Canada and the United States, by a Commission. The Commission, pursuant to its administrative policy, had held the water at such a level that certain lands were flooded. The purpose of the bill is to compensate property owners for the damage which they suffered because of the flooding of the land.

Mr. KNOWLAND. Mr. President, I think what the minority leader was primarily requesting was an explanation of the difference between the House and Senate versions of the bill. The distinguished Senator from Pennsylvania

asked to have the House bill substituted for the Senate bill, which was passed by unanimous consent.

Mr. THYE. I understood that the minority leader desired an explanation of the bill.

Mr. JOHNSON of Texas. Mr. President, I should like an explanation of the difference between the bill passed by the House and the bill passed by the Senate. If the distinguished chairman of the committee will withhold his request for a moment until I can explore the question and see if there is any objection on this side of the aisle, undoubtedly the bill can be taken up a little later in the afternoon.

The PRESIDING OFFICER. The Chair inquires if the Senator from Pennsylvania withdraws his request.

Mr. MARTIN. Mr. President, I withdraw my request.

Mr. KNOWLAND subsequently said: Mr. President, I ask unanimous consent that the bill previously referred to by the Senator from Pennsylvania [Mr. MARTIN] be now considered.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 2098) to provide for compensation of certain persons whose lands have been flooded and damaged by reason of fluctuations in the water level of the Lake of the Woods.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. Without objection, the several requests previously made by the Senator from Pennsylvania [Mr. MARTIN] will be agreed to.

Mr. HUMPHREY. Mr. President, I hope the Senate will accept the language of the House bill. This is a bill to indemnify certain persons who suffered damage because of the fluctuations in the level of waters which are controlled by an international joint commission. The amount of benefits possible under the Senate bill for the aggrieved landowners is somewhat less than the possible indemnities under the House bill. I have just been in consultation with some House Members, and I know that if the language of the Senate bill is substituted for the House language, the bill will go to conference, and there will have to be some adjustment of the differences between the two Houses. The amount involved is not substantial, and it appears to me that the Senate might better accept the House language and be done with it.

Mr. KNOWLAND. Mr. President, if the Senator from Minnesota will permit me, I had understood that the substitution of the Senate bill for the House bill, which was a proposal of the Senator from Pennsylvania, was generally agreeable. I could not consent, of course, when we have passed a Senate bill on the unanimous consent calendar, on certain representations made, now to take the House bill which provides a different figure. I think the proper procedure would be to substitute the language of the Senate bill for the language of the House bill and send it to conference, when the distinguished Senator from Minnesota and other Senators will have an opportunity to discuss the equities of their proposal as distinguished from the Senate proposal.

Mr. HUMPHREY. Mr. President, I would have no particular objection to that at this moment. I merely wanted to register what I considered to be a legitimate protest as to the lack of adequate indemnity jurisdiction as provided in the Senate bill. I shall certainly state my case before the conference.

Mr. KNOWLAND. Mr. President, the request of the Senator from Pennsylvania [Mr. MARTIN] was that all after the enacting clause of the House bill be stricken and that the language of the Senate bill be substituted therefor.

The PRESIDING OFFICER. Without objection, the request of the Senator from Pennsylvania is agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

EXECUTIVE SESSION

Mr. KNOWLAND. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER (Mr. BARRETT in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Joseph May Swing, of California, to be Commissioner of Immigration and Naturalization, vice Argyle R. Mackey, resigned, which was referred to the Committee on the Judiciary.

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. CARLSON, from the Committee on Post Office and Civil Service:

Twenty-five postmasters.

THE INTERNATIONAL SUGAR AGREEMENT

The Senate, as in Committee of the Whole, proceeded to consider the agreement (Executive B, 83d Cong., 2d sess.), the International Sugar Agreement, dated in London, October 1, 1953, which was read the second time, as follows:

INTERNATIONAL SUGAR AGREEMENT

The Governments party to this Agreement have agreed as follows:—

CHAPTER I.—GENERAL OBJECTIVES

Article 1

The objectives of this Agreement are to assure supplies of sugar to importing countries and markets for sugar to exporting countries at equitable and stable prices; to increase the consumption of sugar throughout the world; and to maintain the purchasing power in world markets of countries or areas whose economies are largely dependent upon the production or export of sugar by providing adequate returns to producers and making it possible to maintain fair standards of labour conditions and wages.

CHAPTER II.—DEFINITIONS

Article 2

For the purposes of this Agreement—

(1) "Ton" means a metric ton of 1,000 kilograms.

(2) "Quota Year" means calendar year, that is, the period from January 1 to December 31, both inclusive.

(3) "Sugar" means sugar in any of its recognised commercial forms derived from sugar cane or sugar beet, including edible and fancy molasses, syrups and any other form of liquid sugar used for human consumption, except final molasses and low-grade types of non-centrifugal sugar produced by primitive methods.

Amounts of sugar specified in this Agreement are in terms of raw value, net weight, excluding the container. Except as provided in Article 16, the raw value of any amount of sugar means its equivalent in terms of raw sugar testing 96 sugar degrees by the polariscope.

(4) "Net imports" means total imports of sugar after deducting total exports of sugar.

(5) "Net exports" means total exports of sugar (excluding sugar supplied as ships' stores for ships victualling at domestic ports) after deducting total imports of sugar.

(6) "Free market" means the total of net imports of the world market except those excluded under any provisions of this Agreement.

(7) "Basic export tonnages" means the quantities of sugar specified in Article 14 (1).

(8) "Initial export quota" means the quantity of sugar allotted for any quota year under Article 18 to each country listed in Article 14 (1).

(9) "Export quota in effect" means the initial export quota as modified by such adjusment as may be made from time to time.

(10) "Stocks of Sugar," for the purposes of Article 13, means either:—

(1) All sugar in the country concerned either in factories, refineries, warehouses, or in the course of internal transportation for destinations within the country, but excluding bonded foreign sugar (which term shall be regarded as also covering sugar "en admission temporaire") and excluding sugar in factories, refineries and warehouses or in the course of internal transportation for destinations within the country, which is solely for distribution for internal consumption and on which such excise or other consumption duties as exist in the country concerned have been paid; or

(2) All sugar in the country concerned either in factories, refineries, warehouses, or in the course of internal transportation for destinations within the country, but excluding bonded foreign sugar (which term shall be regarded as also covering sugar "en admission temporaire") and excluding sugar in factories, refineries and warehouses or in the course of internal transportation for destinations within the country which is solely for distribution for internal consumption;

according to the notification made to the Council by each Participating Government under Article 13.

(11) "The Council" means the International Sugar Council established under Article 27.

(12) "The Executive Committee" means the Committee established under Article 37.

(13) "Importing Country" means one of the countries listed in Article 33, or any country which is a net importer of sugar, as the context requires.

(14) "Exporting Country" means one of the countries listed in Article 34, or any country which is a net exporter of sugar, as the context requires.

CHAPTER III.—GENERAL UNDERTAKINGS BY PARTICIPATING GOVERNMENTS

Article 3

1. Subsidies

(1) The Participating Governments recognise that subsidies on sugar may so operate as to impair the maintenance of equitable and stable prices in the free market and so endanger the proper functioning of this Agreement.

(2) If any Participating Government grants or maintains any subsidy, including any form of income or price support, which operates directly or indirectly to increase exports of sugar from, or to reduce imports of sugar into its territory, it shall during each quota year notify the Council in writing of the extent and nature of the subsidisation, of the estimated effect of the subsidisation on the quantity of sugar exported from or imported into its territory and of the circumstances making the subsidisation necessary.

(3) In any case in which a Participating Government considers that serious prejudice to its interests under this Agreement is caused or threatened by such subsidisation, the Participating Government granting the subsidy shall, upon request, discuss with the other Participating Government or Governments concerned, or with the Council, the possibility of limiting the subsidisation. In any case in which the matter is brought before the Council, the Council may examine the case with the Governments concerned and make such recommendations as it deems appropriate.

Article 4

2. Programmes of Economic Adjustment

Each Participating Government agrees to adopt such measures as it believes will be adequate to fulfil its obligations under this Agreement with a view to the achievement of the general objectives set forth in Article 1 and as will ensure as much progress as practicable within the duration of this Agreement towards the solution of the commodity problem involved.

Article 5

3. Promotion of Increased Consumption of Sugar

With the object of making sugar more freely available to consumers, each Participating Government agrees to take such action as it deems appropriate to reduce disproportionate burdens on sugar, including those resulting from—

(i) private and public controls, including monopoly;

(ii) fiscal and tax policies.

Article 6

4. Maintenance of Fair Labour Standards

The Participating Governments declare that, in order to avoid the depression of living standards and the introduction of unfair competitive conditions in world trade, they will seek the maintenance of fair labour standards in the sugar industry.

CHAPTER IV.—SPECIAL OBLIGATIONS OF THE PARTICIPATING GOVERNMENTS OF COUNTRIES WHICH IMPORT SUGAR

Article 7

(1)—(i) The Government of each participating importing country and the Government of each participating exporting country which imports sugar for re-export agrees that, to prevent non-participating countries from gaining advantage at the expense of participating countries, it will not permit the import from non-participating countries as a group during any quota year of a total quantity larger than was imported from those countries as a group during any one of the three calendar years preceding the year in which the Agreement entered into force, i. e., 1951, 1952, 1953; provided that the said total quantity shall not include imports purchased by a participating country from non-participating countries at any time when such country cannot meet its requirements from participating countries at prices not exceeding the maximum established in Article 20, and has so notified the Council.

(ii) The years referred to in sub-paragraph (i) of this paragraph may be varied by a determination of the Council on the application of any Participating Government which considers that there are special reasons for such variation.

(2)—(i) If any Participating Government considers that the obligation it has assumed under paragraph (1) of this Article is operating in such a way that its country's re-export trade in refined sugar or trade in sugar-containing products is suffering damage therefrom, or is in imminent danger of being damaged, it may request the Council to take action to safeguard the trade in question, and the Council shall forthwith consider any such request and shall take such action, which may include the modification of the aforesaid obligation, as it deems necessary for that purpose. If the Council fails to deal with a request made to it under this sub-paragraph within 15 days of its receipt, the Government making the request shall be deemed to have been released from its obligation under paragraph (1) of this Article to the extent necessary to safeguard the said trade.

(ii) If in a particular transaction in the usual course of trade the delay resulting from the procedure provided for in sub-paragraph (i) of this paragraph might result in damage to a country's re-export trade in sugar, the Government concerned shall be released from the obligation in paragraph (1) of this Article in respect of that particular transaction.

(3)—(i) If any Participating Government considers that it cannot carry out the obligation in paragraph (1) of this Article, it agrees to furnish the Council with all relevant facts and to inform the Council of the measures which it would propose to take, and the Council shall within 15 days examine the matter and may, in respect of such Government, modify the obligation laid down in paragraph (1).

(ii) If the Government of any participating exporting country considers that the interests of its country are being damaged by the operation of paragraph (1) of this Article, it may furnish the Council with all relevant facts and inform the Council of the measures which it would wish to have taken by the Government of the other participating country concerned, and the Council may, in agreement with the latter Government, modify the obligation laid down in paragraph (1).

(4) The Government of each participating country which imports sugar agrees that as soon as practicable after its ratification of, acceptance of, or accession to this Agreement, it will notify the Council of the maximum quantities which could be imported from non-participating countries under paragraph (1) of this Article.

(5) In order to enable the Council to make the redistributions provided for in Article 19 (1) (ii), the Government of each participating country which imports sugar agrees to notify the Council, within a period fixed by the Council which shall not exceed eight months from the beginning of the quota year, of the quantity of sugar which it expects will be imported from nonparticipating countries in that quota year; provided that the Council may vary the aforesaid period in the case of any such country.

CHAPTER V.—SPECIAL OBLIGATIONS OF GOVERNMENTS OF PARTICIPATING EXPORTING COUNTRIES

Article 8

(1) The Government of each participating exporting country agrees that exports from its country to the free market will be so regulated that net exports to that market will not exceed the quantities which such country may export each quota year in accordance with the export quotas established for it under the provisions of this Agreement.

(2) The Government of each participating exporting country with a basic export tonnage in excess of 75,000 tons agrees not to permit the export during the first eight months of any quota year of more than 80 per cent of its initial export quota; provided that the Council may increase this percentage if it deems such increase to be justified by market conditions.

Article 9

The Government of each participating exporting country agrees that it will take all practicable action to ensure that the demands of participating countries which import sugar are met at all times. To this end, if the Council should determine that the state of demand is such that, notwithstanding the provisions of this Agreement, participating countries which import sugar are threatened with difficulties in meeting their requirements, it shall recommend to participating exporting countries measures designed to give effective priority to those requirements. The Government of each participating exporting country agrees that, on equal terms of sale, priority in the supply of available sugar, in accordance with the recommendations of the Council, will be given to participating countries which import sugar.

Article 10

The Government of each participating exporting country agrees to adjust the production of sugar in its country during the term of this Agreement and in so far as practicable in each quota year of such term (by regulation of the manufacture of sugar or, when this is not possible, by regulation of acreage or plantings) so that the production does not exceed such amount of sugar as may be needed to provide for domestic consumption, exports permitted under this Agreement, and maximum stocks specified in Article 13.

Article 11

The Government of each participating exporting country agrees to advise the Council as soon as possible of such part of its country's initial export quota and export quota in effect as it expects will not be used and on receipt of such advice, the Council shall take action in accordance with Article 19 (1) (i).

Article 12

If the Government of a participating exporting country fails to give notice, within a period determined for the duration of this Agreement by the Council in agreement with that Government, but in any case not exceeding 8 months from the date on which initial export quotas were allocated, of such part of the initial export quota of its country as it expects will not be used, the initial export quota of that country for the following quota year shall be reduced by the difference between the actual exports and the initial export quota or latest export quota in effect, whichever is the less. The Council may decide not to impose this penalty if it is satisfied that a Government failed to give notice because its country's intended exports fell short by reason of force majeure or other circumstances beyond its control occurring after the date for notice established in accordance with this Article.

CHAPTER VI.—STOCKS

Article 13

(1) The Governments of participating exporting countries undertake so to regulate production in their countries that the stocks in their respective countries shall not exceed for each country on a fixed date each year immediately preceding the start of the

new crop, such date to be agreed with the Council, an amount equal to 20 per cent. of its annual production.

(2) Nevertheless, the Council may, if it considers that such action is justified by special circumstances, authorise the holding of stocks in any country in excess of 20 per cent. of its production.

(3) The Government of each participating country listed in Article 14 (1) agrees:—

(i) that stocks equal to an amount of not less than 10 per cent of its country's basic export tonnage shall be held in its country at a fixed date each year immediately preceding the start of the new crop, such date to be agreed with the Council, unless drought, flood or other adverse conditions prevent the holding of such stocks; and

(ii) that such stocks shall be earmarked to fill increased requirements of the free market and used for no other purpose without the consent of the Council, and shall be immediately available for export to that market when called for by the Council.

(4) The Council may increase the amount of the minimum stocks to be carried under paragraph (3) of this Article up to 15 per cent.

(5) The Government of each participating country, in which stocks are held under the provisions of paragraph (3) as they may be modified by the provisions of paragraph (4) of this Article, agrees that unless otherwise authorised by the Council, stocks held under those provisions shall be used neither for meeting priorities under Article 14 B, nor for meeting increases in quotas in effect under Article 22 while such quotas are lower than its country's basic export tonnage, unless the stocks so used can be replaced before the beginning of its country's crop in the ensuing quota year.

(6) For the purposes of this Agreement the Cuban Stabilisation Reserve shall not be considered part of the stocks available for the free market nor shall it be included in the computation of stocks under paragraph (1) of this Article.

The Cuban Government, however, agrees to consider making such reserve available for the free market on the request of the Council if the Council considers that market conditions make such action advisable.

(7) The Government of each participating exporting country agrees that, so far as possible, it will not permit the disposal of stocks held under this Article, following its withdrawal from this Agreement or following the expiration of this Agreement, in such a manner as to create undue disturbance in the free market for sugar.

(8) Not later than three months after the date of signature of this Agreement the Government of each participating country shall inform the Council which of the two definitions of "stocks of sugar" in Article 2 it accepts as applicable to its country.

CHAPTER VII.—REGULATION OF EXPORTS

Article 14

A.—Basic Export Tonnages

(1) For each of the quota years during which this Agreement is in force the exporting countries or areas named below shall have the following basic export tonnages for the free market:—

	(*In thousands of tons*)
Belgium (including Belgium Congo)	50
Brazil	175
China (Taiwan)	600
Colombia	5
Cuba	2,250
Czechoslovakia	275
Denmark	70
Dominican Republic	600
France (and the countries France represents internationally)	20
Germany, Eastern	150
Haiti	45
Hungary	40
Indonesia	250
Mexico	75
Netherlands (including Surinam)	*40
Peru	280
Philippines	25
Poland	220
U. S. S. R.	200
Yugoslavia	20

*The Kingdom of the Netherlands undertake not to export over the years 1954, 1955 and 1956, taken as a whole, a greater amount of sugar than they import during the same period.

(2) The export quotas of the Czechoslovak Republic and the People's Republic of Poland do not include their exports of sugar to the U. S. S. R. and these exports are outside this Agreement. The U. S. S. R. export quota is therefore calculated without taking into account imports of sugar from the above-mentioned countries.

(3) The present Agreement does not apply to movements of sugar between France and the countries which France represents internationally, and the Associated States of Cambodia, Laos, and Vietnam.

(4) Costa Rica, Ecuador and Nicaragua, to which no basic export tonnages have been allotted under this Article, may each export to the free market up to 5,000 tons raw value a year.

(5) This Agreement does not ignore, and does not have the purpose of nullifying Indonesia's aspiration as a Sovereign State for its rehabilitation to its historical position as a sugar exporting country to the extent that may be practicable within the possibilities of the free market.

(6) India shall have the status of an exporting country but has not requested that an export quota be allotted to her.

B.—Priorities on Shortfalls and on Increased Free Market Requirements

(7) In determining export quotas in effect the following priorities shall be applied in accordance with the provisions of paragraph (8) of this Article:—

(a) The first 50,000 tons will be allotted to Cuba.

(b) The next 15,000 tons will be allotted to Poland.

(c) The next 5,000 tons will be allotted to Haiti in the first and second year, this being increased to 10,000 tons in the third year.

(d) The next 25,000 tons will be allotted to Czechoslovakia.

(e) The next 10,000 tons will be allotted to Hungary.

(8)—(i) In redistributions resulting from the provisions of Articles 19 (1) (i) and 19 (2), the Council shall give effect to the priorities listed in paragraph (7) of this Article.

(ii) In distributions resulting from the provisions of Articles 18, 19 (1) (ii) and 22, the Council shall not give effect to the said priorities until the exporting countries listed in paragraph (1) of this Article have been offered export quotas equal to the total of their basic export tonnages, subject to any reductions applied under Articles 12 and 21 (3) and thereafter shall give effect to the said priorities only in so far as the said priorities have not already been brought into effect in accordance with sub-paragraph (i) of this paragraph.

(iii) Reductions resulting from the application of the provisions of Article 21 shall be applied pro rata to the basic export tonnages until the export quotas in effect have been reduced to the total of the basic export tonnages plus the total of the priorities allotted due to increases in free market requirements for that year, after which the priorities shall be deducted in the reverse order and thereafter reductions shall be applied again pro rata to basic export tonnages.

Article 15

This Agreement does not apply to movements of sugar between the Belgo-Luxembourg Economic Union (including the Belgian Congo), France and the countries which France represents internationally, the Federal Republic of Germany, and the Kingdom of the Netherlands (including Surinam).

These countries undertake to restrict the movements referred to in this Article to a net amount of 175,000 tons of sugar per year.

Article 16

(1) The Government of the United Kingdom of Great Britain and Northern Ireland (on behalf of the British West Indies and British Guiana, Mauritius and Fiji), the Government of the Commonwealth of Australia and the Government of the Union of South Africa undertake that net exports of sugar by the exporting territories covered by the Commonwealth Sugar Agreement of 1951 (excluding local movements of sugar between adjoining Commonwealth territories, or islands, in such quantities as can be authenticated by custom) shall not together exceed the following total quantities:—

(i) in the calendar years 1954 and 1955—2,413,793 tons (2,375,000 English long tons) tel quel per year;

(ii) in the calendar year 1956—2,490,018 tons (2,450,000 English long tons) tel quel.

Subject to contractual obligations assumed by the Governments concerned under the Commonwealth Sugar Agreement of 1951, the quantitative limits for the calendar years 1954, 1955 and 1956 specified above shall not be varied and the provisions of all other articles of this Agreement shall be construed accordingly.

(2) These limitations have the effect of leaving available to the free market a share in the sugar markets of Commonwealth countries. The Governments aforementioned would, however, regard themselves as released from their obligation thus to limit exports of Commonwealth sugar if a Government or Governments of a participating exporting country or of participating countries having a basic export tonnage or tonnages under Article 14 (1) should enter into a special trading arrangement with an importing country of the Commonwealth which would guarantee the exporting country a specified portion of the market of that Commonwealth country.

(3) The Government of the United Kingdom of Great Britain and Northern Ireland with the concurrence of the Government of the Commonwealth of Australia and the Government of the Union of South Africa, undertakes to provide the Council sixty days in advance of the beginning of each quota year with an estimate of total net exports from the exporting territories covered by the Commonwealth Sugar Agreement in such year and to inform the Council promply of any changes in such estimate during that year. The information supplied to the Council by the United Kingdom pursuant to this undertaking shall be held to discharge fully the obligations in Articles 11 and 12 so far as the aforementioned territories are concerned.

(4) The provisions of paragraphs (3) and (4) of Article 13 shall not apply to the exporting territories covered by the Commonwealth Sugar Agreement.

Nothing in this Article shall be held to prevent any participating country exporting to the free market from exporting sugar to any country within the British Commonwealth nor, within the quantitative limits set out above, to prevent any Commonwealth country from exporting sugar to the free market.

Article 17

Exports of sugar to the United States of America for consumption therein shall not be considered exports to the free market and shall not be charged against the export quotas established under this Agreement.

Article 18

(1) Before the beginning of each quota year the Council shall cause an estimate to be made of the net import requirements of the free market during such year for sugar from exporting countries listed in Article 14 (1). In the preparation of this estimate, there shall be taken into account among other factors the total amount of sugar which the Council is notified could be imported from non-participating countries under the provisions of Article 7 (4).

(2) At least 30 days before the beginning of each quota year the Council shall consider the estimate of the net import requirements of the free market prepared in accordance with paragraph (1) of this Article. If the Council adoptes that estimate, it shall forthwith assign an initial export quota for the free market for such year to each of the exporting countries listed in Article 14 (1) by distributing that estimate among the exporting countries pro rata to their basic export tonnages, subject to the provisions of Article 14 B, to such penalties as may be imposed in accordance with the provisions of Article 12 and to such reductions as may be made under Article 21 (3).

(3) If there is disagreement in the Council upon the estimate of the net import requirements of the free market prepared in accordance with paragraph (1) of this Article, the question shall be put to a Special Vote. If as a result of that vote, an estimate is adopted, the Council shall thereupon assign initial export quotas in accordance with paragraph (2) of this Article; but if an estimate is not so adopted, then the initial export quotas for the new quota year shall be fixed by distributing the total of the export quotas in effect at the end of the current quota year on the same basis and in the same manner as is provided in paragraph (2) of this Article.

(4) The Council shall have power by Special Vote to set aside in any quota year up to 20,000 tons of the net import requirements of the free market as a reserve from which it may allot additional export quotas to meet proved cases of special hardship:

Article 19

(1) The Council shall cause export quotas in effect for participating countries listed in Article 14 (1) to be adjusted, subject to the provisions of Article 14 B, as follows:—

(i) Within 10 days after the Government of any exporting country has given notice pursuant to Article 11 that a part of the initial export quota or export quota in effect will not be used, to reduce accordingly the export quota in effect of such country and to increase the export quotas in effect of other exporting countries by redistributing an amount of sugar equal to the part of the quota so renounced *pro rata* to their basic export tonnages. The Secretary of the Council shall forthwith notify Governments of exporting countries of such increases, and those Governments shall, within 10 days of receipt of such notification, inform the Secretary of the Council whether or not they are in a position to use the increase in quota allotted to them, and on receipt of such information, a subsequent redistribution of the quantity involved shall be made, and Governments of exporting countries concerned shall be notified forthwith by the Secretary of the Council of the increases made in their countries' export quotas in effect.

(ii) From time to time to take into account variations in the estimates of the quantities of sugar which the Council is notified will be imported from non-participating countries under Article 7; provided, however, that such quantities need not be redistributed until they reach a total of 5,000 tons. Redistributions under this sub-paragraph shall be made on the same basis and in the same manner as is provided in paragraph (1) (i) of this Article.

(2) Notwithstanding the provisions of Article 11, if the Council, after consultation with the Government of any participating exporting country, determines that such country will be unable to use all or part of its export quota in effect, the Council may increase pro rata the export quotas of other participating exporting countries on the same basis and in the same manner as is provided for in paragraph (1) (i) of this Article; provided, however, that such action by the Council shall not deprive the country concerned of its right to fill its export quota which was in effect before the Council made its determination.

CHAPTER VIII.—STABILISATION OF PRICES

Article 20

(1) For the purposes of this Agreement the price of sugar shall be considered equitable both to consumers and producers if it is maintained within a zone of stabilised prices between a minimum of 3.25 cents and a maximum of 4.35 cents United States currency per pound avoirdupois, free alongside steamer Cuban port: the price of sugar shall be the spot price established by the New York Coffee and Sugar Exchange in relation to sugar covered by Contract No. 4, or any other price which may be established under paragraph (2) of this Article.

(2) In the event of the price referred to in paragraph (1) of this Article not being available at a material period, the Council shall use such other criteria as it sees fit.

(3) The minimum and maximum limits of the zone of stabilised prices referred to in paragraph (1) of this Article may be modified by the Council by a Special Vote.

Article 21

(1)—(i) If at any time the Council decides that market conditions make it advisable to reduce the export quotas in effect with a view to preventing the price of sugar from falling below the minimum price established under Article 20, it may make such reduction in the export quotas in effect as it deems necessary *pro rata* to the basic export tonnages, subject to the provisions of Article 14 B.

(ii) Notwithstanding the provisions of paragraph (1) (i) of this Article, whenever the average daily spot price of sugar for any one period of fifteen consecutive market days, has averaged less than the minimum price established under Article 20, the Council shall within ten days of the end of such fifteen-day period, make such reduction as it deems necessary in the export quotas in effect, pro rata to the basic export tonnages and subject to the provisions of Article 14 B; provided that no further alteration in the export quotas in effect shall be made under this sub-paragraph within a period of fifteen consecutive market days from the date of any adjustment in quotas in effect, pursuant to the provisions of this sub-paragraph and of Article 22.

(iii) If the Council cannot agree within the said period of ten days upon the amount of the reduction under paragraph (1) (ii) of this Article, the export quotas in effect shall be reduced each time by 5 per cent. of the basic export tonnages, subject to the provisions of Article 14 B.

(iv) Notwithstanding the provisions of paragraphs (1) (i), (1) (ii) and (1) (iii) of this Article, if any country's export quota in effect has been reduced under Article 19 (1) (i), such reduction shall be deemed to form part of reductions made in the same quota year under the terms of the aforesaid sub-paragraphs.

(2) The Secretary of the Council shall notify the Governments of participating countries of each reduction made under this Article in the export quotas in effect.

(3) If any of the reductions provided for in the preceding paragraphs of this Article cannot be fully applied to the export quota in effect of an exporting country because, at the time the reduction is made, that country has already exported all or part of the amount of such reduction, a corresponding amount shall be deducted from the initial export quota of that country for the following quota year.

Article 22

(1) If, at any time, the Council decides that market conditions make it advisable to increase the export quotas in effect with a view to preventing the price of sugar from rising above the maximum price established under Article 20, it may make such increase in the export quotas in effect as it deems necessary pro rata to the basic export tonnages subject to the provisions of Article 14 B.

(2)—(i) Notwithstanding the provisions of paragraph (1) of this Article, whenever the average daily spot price of sugar for any one period of fifteen consecutive market days has averaged more than the maximum price established under Article 20, the Council shall, within ten days of the end of such fifteen-day period, make such increases as it deems necessary in the export quotas in effect, pro rata to the basic export tonnages and subject to the provisions of Article 14 B; provided that no further alteration in the export quotas in effect shall be made under this sub-paragraph within a period of fifteen consecutive market days from the date of any adjustment in quotas in effect, pursuant to the provisions of this sub-paragraph and of Article 21.

(ii) If the Council cannot agree within the said period of ten days upon the amount of the increase under paragraph (2) (i) of this Article, the export quotas in effect shall be increased each time by 7½ per cent. of the basic export tonnages, subject to the provisions of Article 14 B.

(3) The Secretary of the Council shall notify the Governments of participating countries of each increase made under this Article in the export quotas in effect.

CHAPTER IX.—GENERAL LIMITATION OF REDUCTIONS IN EXPORT QUOTAS

Article 23

(1) Except in respect of penalties imposed under Article 12 and reductions made under Article 19 (1) (i), the export quota in effect of any participating exporting country listed in Article 14 (1) shall not be reduced below 80 per cent. of its basic export tonnage and all other provisions of this Agreement shall be construed accordingly: provided, however, that the export quota in effect of any participating exporting country having a basic export tonnage under Article 14 (1) of less than 50,000 tons shall not be reduced below 90 per cent. of its basic export tonnage.

(2) A reduction of quotas under Article 21 shall not be made within the last forty-five calendar days of the quota year.

CHAPTER X—SUGAR MIXTURES

Article 24

Should the Council at any time be satisfied that as the result of a material increase in the exportation or use of sugar mixtures, those products are taking the place of sugar to such an extent as to prevent full effect being given to the purpose of this Agreement it may resolve that such products or any of them shall be deemed to be sugar, in respect of their sugar content, for the purposes of the Agreement; provided that the Council shall, for the purpose of calculating

the amount of sugar to be charged to the export quota of any participating country, exclude the sugar equivalent of any quantity of such products which has normally been exported from that country prior to the coming into force of this Agreement.

CHAPTER XI—MONETARY DIFFICULTIES

Article 25

(1) If, during the terms of this Agreement the Government of a participating importing country considers that it is necessary for it to forestall the imminent threat of, or to stop or to correct a serious decline in its monetary reserves, it may request the Council to modify particular obligations of this Agreement.

(2) The Council shall consult fully with the International Monetary Fund on questions raised by such request and shall accept all findings of statistical and other facts made by the Fund relating to foreign exchanges, monetary reserves and balance of payments, and shall accept the determination of the Fund as to whether the country involved has experienced or is imminently threatened with a serious deterioration in its monetary reserves. If the country in question is not a member of the International Monetary Fund and requests that the Council should not consult the Fund, the issues involved shall be examined by the Council without such consultation.

(3) In either event, the Council shall discuss the matter with the Government of the importing country. If the Council decides that the representations are well founded and that the country is being prevented from obtaining a sufficient amount of sugar to meet its consumption requirements consistently with the terms of this Agreement, the Council may modify the obligations of such Government or of the Government of any exporting country under this Agreement in such manner and for such time as the Council deems necessary to permit such importing country to secure a more adequate supply of sugar with its available resources.

CHAPTER XII.—STUDIES BY THE COUNCIL

Article 26

(1) The Council shall consider and make recommendations to the Governments of participating countries concerning ways and means of securing appropriate expansion in the consumption of sugar, and may undertake studies of such matters as:—

(i) The effects of (a) taxation and restrictive measures and (b) economic, climatic and other conditions on the consumption of sugar in the various countries;

(ii) Means of promoting consumption, particularly in countries where consumption per caput is low;

(iii) The possibility of co-operative publicity programmes with similar agencies concerned with the expansion of consumption of other foodstuffs;

(iv) Progress of research into new uses of sugar, its by-products, and the plants from which it is derived.

(2) Furthermore, the Council is authorised to make and arrange for other studies, including studies of the various forms of special assistance to the sugar industry, for the purpose of assembling comprehensive information and for the formulation of proposals which the Council deems relevant to the attainment of the general objectives set forth in Article 1 or relevant to the solution of the commodity problem involved. Any such studies shall relate to as wide a range of countries as practicable and shall take into consideration the general social and economic conditions of the countries concerned.

(3) The studies undertaken pursuant to paragraphs (1) and (2) of this Article shall be carried out in accordance with such terms as may be laid down by the Council, and in consultation with the Participating Governments.

(4) The Governments concerned agree to inform the Council of the results of their consideration of the recommendations and proposals referred to in this Article.

CHAPTER XIII.—ADMINISTRATION

Article 27

(1) An International Sugar Council is hereby established to administer this Agreement.

(2) Each Participating Government shall be a voting member of the Council and shall have the right to be represented on the Council by one delegate and may designate alternate delegates. A delegate or alternate delegates may be accompanied at meetings of the Council by such advisers as each Participating Government deems necessary.

(3) The Council shall elect a non-voting Chairman who shall hold office for one quota year and shall serve without pay. He shall be selected alternately from among the delegations of the importing and exporting participating countries.

(4) The Council shall elect a Vice-Chairman who shall hold office for one quota year and shall serve without pay. He shall be selected alternately from among the delegations of the exporting and importing participating countries.

(5) The Council is authorised, after consultation with the International Sugar Council established under the International Agreement regarding the Regulation of Production and Marketing of Sugar signed in London, May 6, 1937, to accept the records, assets and liabilities of that body.

(6) The Council shall have in the territory of each Participating Government, and to the extent consistent with its laws, such legal capacity as may be necessary in discharging its functions under this Agreement.

Article 28

(1) The Council shall adopt rules of procedure which shall be consistent with the terms of this Agreement, and shall keep such records as are required to enable it to discharge its functions under this Agreement and such other records as it considers desirable. In the case of inconsistency between the rules of procedure so adopted and the terms of this Agreement, the Agreement shall prevail.

(2) The Council shall publish at least once a year a report of its activities and of the operation of this Agreement.

(3) The Council shall develop, prepare and publish such reports, studies, charts, analyses and other data as it may deem desirable and helpful.

(4) The Participating Governments undertake to make available and supply all such statistics and information as are necessary to the Council or the Executive Committee to enable it to discharge its functions under this Agreement.

(5) The Council may appoint such permanent or temporary Committees as it considers advisable in order to assist it in performing its functions under this Agreement.

(6) The Council may, by a Special Vote, delegate to the Executive Committee set up under Article 37 the exercise of any of its powers and functions other than those requiring a decision by Special Vote under this Agreement. The Council may, at any time, revoke such a delegation by a majority of the votes cast.

(7) The Council shall perform such other functions as are necessary to carry out the terms of this Agreement.

Article 29

The Council shall appoint an Executive Director, who shall be its senior full-time paid officer, a Secretary and such staff as may be required for the work of the Council and its Committees. It shall be a condition of employment of these officers and of the staff that they do not hold or shall cease to hold financial interest in the sugar industry or in the trade in sugar and that they shall not seek or receive instructions regarding their duties under this Agreement from any Government or from any other Authority external to the Council.

Article 30

(1) The Council shall select its seat. Its meeting shall be held at its seat, unless the Council decides to hold a particular meeting elsewhere.

(2) The Council shall meet at least once a year. It may be convened at any other time by its Chairman.

(3) The Chairman shall convene a session of the Council if so requested by

(i) Five Participating Governments, or

(ii) Any Participating Government or Governments holding not less than 10 per cent. of the total votes, or

(iii) The Executive Committee.

Article 31

The presence of delegates holding 75 per cent of the total votes of the Participating Governments shall be necessary to constitute a quorum at any meeting of the Council, but if no such quorum is present on the day fixed for a meeting of the Council which has been called pursuant to Article 30, such meeting shall be held seven days later and the presence of delegates holding 50 per cent. of the total votes of the Participating Governments shall then constitute a quorum.

Article 32

The Council may make decisions, without holding a meeting, by correspondence between the Chairman and the Participating Governments provided that no Participating Government makes objection to this procedure. Any decision so taken shall be communicated to all the Participating Governments as soon as possible and shall be set forth in the minutes of the next meeting of the Council.

Article 33

The votes to be exercised by the respective delegations of importing countries on the Council shall be as follows:—

Austria	20
Canada	80
Ceylon	30
Federal Republic of Germany	60
Greece	25
Israel	20
Japan	100
Jordan	15
Lebanon	20
Norway	30
Portgual	30
Saudi Arabia	15
Spain	20
Switzerland	45
United Kingdom	245
United States	245
Total	1,000

Article 34

The votes to be exercised by the respective delegations of exporting countries on the Council shall be as follows:—

Australia	45
Belgium	20
Brazil	50
China	65
Cuba	245
Czechoslovakia	45
Denmark	20
Dominican Republic	65
France (and the countries which France represents internationally)	35
Haiti	20
Hungary	20
India	30
Indonesia	40
Mexico	25
Netherlands	20

Nicaragua	15
Peru	40
Philippines	25
Poland	40
South Africa	20
U. S. S. R.	100
Yugoslavia	15
Total	1,000

Article 35

Whenever the membership of this Agreement changes or when any country is suspended from voting or recovers its votes under any provision of this Agreement, the Council shall redistribute the votes within each group (importing countries and exporting countries) having regard in respect of importing countries to their average imports over the two preceding years, and in respect of exporting countries having regard to the ratio 40 to 60 to their average production over the two preceding years and to the basic export tonnages allotted to them; provided that in no case shall any country have less than 15 or more than 245 votes and that there shall be no fractional votes.

Article 36

(1) Except where otherwise specifically provided for in this Agreement, decisions of the Council shall be by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries provided that the latter majority shall consist of votes cast by not less than one-third in number of the importing countries present and voting.

(2) When a Special Vote is required, decisions of the Council shall be by at least two-thirds of the votes cast, which shall include a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries; provided that the latter majority shall consist of votes cast by not less than one-third in number of the importing countries present and voting.

(3) Notwithstanding the provisions of paragraphs (1) and (2) of this Article, at any session of the Council convened in accordance with Article 30 (3) (i) or Article 30 (3) (ii) to deal with any question relating to Articles 21 and 22, decisions of the Council on action taken by the Executive Committee under the said Articles shall be by a simple majority of the votes cast by the participating countries present and voting taken as a whole.

(4) The Government of any participating exporting country may authorise the voting delegate of any other exporting country and the Government of any participating importing country may authorise the voting delegate of any other importing country to represent its interests and to exercise its votes at any meeting or meetings of the Council. Evidence of such authorisation satisfactory to the Council shall be submitted to the Council.

(5) Each Participating Government undertakes to accept as binding all decisions of the Council under the provisions of this Agreement.

Article 37

(1) The Council shall establish an Executive Committee, which shall be composed of representatives of the Governments of five participating exporting countries which shall be selected for a quota year by a majority of the votes held by the exporting countries and of representatives of the Governments of five participating importing countries which shall be selected for a quota year by a majority of the votes held by the importing countries.

(2) The Executive Committee shall exercise such powers and functions of the Council as are delegated to it by the Council.

(3) The Executive Director of the Council shall be ex-officio Chairman of the Executive Committee but shall have no vote. The Committee may elect a Vice-Chairman and shall establish its Rules and Procedure subject to the approval of the Council.

(4) Each member of the Committee shall have one vote. In the Executive Committee, decisions shall be by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries.

(5) Any Participating Government shall have the right of appeal to the Council under such conditions as may be prescribed by the Council, against any decision of the Executive Committee. In so far as the decision of the Council does not accord with the decision of the Executive Committee the latter shall be modified as of the date on which the Council makes its decision.

CHAPTER XIV.—FINANCE

Article 38

(1) Expenses of delegations to the Council and members of the Executive Committee shall be met by their respective Governments. The other expenses necessary for the administration of this Agreement, including remuneration which the Council pays, shall be met by annual contributions by the Participating Governments. The contribution of each Participating Government for each quota year shall be proportionate to the number of votes held by it when the budget for that quota year is adopted.

(2) At its first session the Council shall approve its budget for the first quota year and assess the contributions to be paid by each Participating Government.

(3) The Council shall, each quota year, approve its budget for the following quota year and assess the contribution to be paid by each Participating Government for such quota year.

(4) The initial contribution of any Participating Government acceding to this Agreement under Article 41 shall be assessed by the Council on the basis of the number of votes to be held by it and the period remaining in the current quota year, but the assessments made upon other Participating Governments for the current quota year shall not be altered.

(5) Contributions shall become payable at the beginning of the quota year in respect of which the contribution is assessed and in the currency of the country where the seat of the Council is situated. Any Participating Government failing to pay its contribution by the end of the quota year in respect of which such contribution has been assessed shall be suspended of its voting rights until its contribution is paid, but, except by Special Vote of the Council, shall not be deprived of any of its other rights nor relieved of any of its obligations under this Agreement.

(6) To the extent consistent with the laws of the country where the seat of the Council is situated, the Government of that country shall grant exemption from taxation on the funds of the Council and on remuneration paid by the Council to its employees.

(7) The Council shall, each quota year, publish an audited statement of its receipts and expenditures during the previous quota year.

(8) The Council shall, prior to its dissolution, provide for the settlement of its liabilities and the disposal of its records and assets upon the termination of this Agreement.

CHAPTER XV.—CO-OPERATION WITH OTHER ORGANISATIONS

Article 39

(1) The Council, in exercising its functions under this Agreement, may make arrangements for consultation and co-operation with appropriate organisations and institutions and may also make such provisions as it deems fit for representatives of those bodies to attend meetings of the Council.

(2) If the Council finds that any terms of this Agreement are materially inconsistent with such requirements as may be laid down by the United Nations or through its appropriate organs and specialised agencies regarding intergovernmental commodity agreements, the inconsistency shall be deemed to be a circumstance affecting adversely the operation of this Agreement and the procedure prescribed in Article 43 shall be applicable.

CHAPTER XVI.—DISPUTES AND COMPLAINTS

Article 40

(1) Any dispute concerning the interpretation or application of this Agreement, which is not settled by negotiation, shall, at the request of any Participating Government party to the dispute, be referred to the Council for decision.

(2) In any case where a dispute has been referred to the Council under paragraph (1) of this Article, a majority of Participating Governments or Participating Governments holding not less than one-third of the total votes may require the Council, after full discussion, to seek the opinion of the advisory panel referred to in paragraph (3) of this Article on the issues in dispute before giving its decision.

(3)—(i) Unless the Council unanimously agrees otherwise, the panel shall consist of—

(*a*) two persons, one having wide experience in matters of the kind in dispute and the other having legal standing and experience, nominated by the exporting countries;

(*b*) two such persons nominated by the importing countries; and

(*c*) a chairman selected unanimously by the four persons nominated under (*a*) and (*b*), or, if they fail to agree, by the Chairman of the Council.

(ii) Persons from countries whose Governments are parties to this Agreement, shall be eligible to serve on the advisory panel.

(iii) Persons appointed to the advisory panel shall act in their personal capacities and without instructions from any Government.

(iv) The expenses of the advisory panel shall be paid by the Council.

(4) The opinion of the advisory panel and the reasons therefor shall be submitted to the Council which, after considering all the relevant information, shall decide the dispute.

(5) Any complaint that any Participating Government has failed to fulfil its obligations under this Agreement, shall, at the request of the Participating Government making the complaint, be referred to the Council which shall make a decision on the matter.

(6) No Participating Government shall be found to have committed a breach of this Agreement except by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries. Any finding that a Participating Government is in breach of the Agreement shall specify the nature of the breach.

(7) If the Council finds that a Participating Government has committed a breach of this Agreement, it may by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries suspend the Government concerned of its voting rights until it fulfils its obligations or expel that Government from this Agreement.

CHAPTER XVII.—SIGNATURE, ACCEPTANCE, ENTRY INTO FORCE AND ACCESSION

Article 41

(1) This Agreement shall be open for signature from September 15 to October 31, 1953, by the Governments represented, by delegates at the Conference at which this agreement was negotiated.

(2) This Agreement shall be subject to ratification or acceptance by the signatory

Governments in accordance with their respective constitutional procedures, and the instruments of ratification or acceptance shall be deposited with the Government of the United Kingdom of Great Britain and Northern Ireland.

(3) This Agreement shall be open for accession by any of the Governments referred to in paragraph (1) of this Article and accession shall be effected by the deposit of an instrument of accession with the Government of the United Kingdom of Great Britain and Northern Ireland.

(4) The Council may approve accession to this Agreement by any Government not referred to in paragraph (1) of this Article provided that the conditions of such accession shall first be agreed upon with the Council by the Government desiring to effect it.

(5) The effective date of a Government's participation in this Agreement shall be the date on which the instrument of ratification, acceptance or accession is deposited with the Government of the United Kingdom of Great Britain and Northern Ireland.

(6)—(i) This Agreement shall come into force on December 15, 1953, as regards Articles 1, 2, 18 and 27–46 inclusive, and on January 1, 1954, as regards Articles 3–17 and 19–26 inclusive, if on December 15, 1953, instruments of ratification, acceptance or accession have been deposited by Governments holding 60 per cent. of the votes of importing countries and 75 per cent. of the votes of exporting countries under the distribution set out in Articles 33 and 34; provided that notifications to the Government of the United Kingdom of Great Britain and Northern Ireland by Governments which have been unable to ratify, accept or accede to this Agreement by December 15, 1953, containing an undertaking to seek to obtain as rapidly as possible under their constitutional procedure, and during a period of four months from December 15, 1953, ratification, acceptance or accession, will be considered as equivalent to ratification, acceptance or accession. If, however, such a notification is not followed by the deposit of an instrument of ratification, acceptance or accession by May 1, 1954, the Government concerned shall then no longer be regarded as an observer. In any event the obligations under this Agreement of Governments of exporting countries which have ratified, accepted or acceded to this Agreement by May 1, 1954, for the first quota year will run as from January 1, 1954.

(ii) If at the end of the period of four months mentioned in sub-paragraph (1) the percentage of votes of importing countries or of exporting countries which have ratified, accepted or acceded to this Agreement is less than the percentage provided for in sub-paragraph (i), the Governments which have ratified, accepted or acceded to this Agreement may agree to put it into force among themselves.

(iii) The Council may determine the conditions under which the Governments which have not ratified, accepted or acceded to this Agreement by December 15th, 1953, but who have made known their intention to obtain as rapidly as possible a decision on ratification, acceptance or accession may take part in the work of the Council as non-voting observers if they so wish.

(7) The Government of the United Kingdom of Great Britain and Northern Ireland will notify all signatory Governments of each signature, ratification, acceptance of, or accession to this Agreement, and shall inform all signatory Governments of any reservation or condition attached thereto.

CHAPTER XVIII.—DURATION, AMENDMENT, SUSPENSION, WITHDRAWAL, TERMINATION

Article 42

(1) The duration of this Agreement shall be five years from January 1, 1954. The Agreement shall not be subject to denunciation.

(2) Without prejudice to Articles 43 and 44, the Council shall in the third year of this Agreement examine the entire working of the Agreement, especially in regard to quotas and prices and shall take into account any amendment to the Agreement which in connection with this examination any Participating Government may propose.

(3) Not less than three months before the last day of the third quota year of this Agreement the Council shall submit a report on the results of the examination referred to in paragraph (2) of this Article to Participating Governments.

(4) Any Participating Government may within a period of not more than two months after the receipt of the Council's report referred to in paragraph (3) of this Article withdraw from this Agreement by giving notice of withdrawal to the Government of the United Kingdom of Great Britain and Northern Ireland. Such withdrawal shall take effect on the last day of the third quota year.

(5)—(i) If, after the two months referred to in paragraph (4) of this Article, any Government which has not withdrawn from this Agreement under that paragraph considers that the number of Governments which have withdrawn under the said paragraph, or the importance of those Governments for the purposes of this Agreement, is such as to impair the operation of this Agreement, such Government may, within thirty days following the expiration of the said period, request the Chairman of the Council to call a special meeting of the Council at which the Governments party to this Agreement shall consider whether or not they will remain party to it.

(ii) Any special meeting called pursuant to a request made under sub-paragraph (i) shall be held within one month of the receipt by the Chairman of such request and Governments represented at such meeting may withdraw from the Agreement by giving notice of withdrawal to the Government of the United Kingdom of Great Britain and Northern Ireland within thirty days from the date on which the meeting was held. Any such notice of withdrawal shall become effective thirty days from the date of its receipt by that Government.

(iii) Governments not represented at a special meeting held pursuant to sub-paragraphs (i) and (ii) may not withdraw from this Agreement under the provisions of those sub-paragraphs.

Article 43

(1) If circumstances arise which, in the opinion of the Council, affect or threaten to affect adversely the operation of this Agreement, the Council may, by a Special Vote, recommend an amendment of this Agreement to the Participating Governments.

(2) The Council shall fix the time within which each Participating Government shall notify the Government of the United Kingdom of Great Britain and Northern Ireland whether or not it accepts an amendment recommended under paragraph (1) of this Article.

(3) If, within the time fixed under paragraph (2) of this Article, all Participating Governments accept an amendment it shall take effect immediately on the receipt by the Government of the United Kingdom of Great Britain and Northern Ireland of the last acceptance.

(4) If, within the time fixed under paragraph (2) of this Article, an amendment is not accepted by the Governments of exporting countries which hold 75 per cent. of the votes of the exporting countries and by the Governments of importing countries which hold 75 per cent. of the votes of the importing countries it shall not take effect.

(5) If, by the end of the time fixed under paragraph (2) of this Article, an amendment is accepted by the Governments of exporting countries which hold 75 per cent. of the votes of the exporting countries and by the Governments of importing countries which hold 75 per cent. of the votes of the importing countries but not by the Governments of all the exporting countries and the Governments of all the importing countries—

(i) the amendment shall become effective for the Participating Governments which have signified their acceptance under paragraph (2) of this Article at the beginning of the quota year next following the end of the time fixed under that paragraph;

(ii) the Council shall determine forthwith whether the amendment is of such a nature that the Participating Governments which do not accept it shall be suspended from this Agreement from the date upon which it becomes effective under subparagraph (i) and shall inform all Participating Governments accordingly. If the Council determines that the amendment is of such a nature, Participating Governments which have not accepted that amendment shall inform the Council by the date on which the amendment is to become effective under subparagraph (i) whether it is still unacceptable and those Participating Governments which do so shall automatically be suspended from this Agreement; provided that if any such Participating Government satisfies the Council that it has been prevented from accepting the amendment by the time the amendment becomes effective under sub-paragraph (i) by reason of constitutional difficulties beyond its control, the Council may postpone suspension until such difficulties have been overcome and the Participating Government has notified its decision to the Council.

(6) The Council shall establish rules with respect to the reinstatement of a Participating Government suspended under paragraph (5) (ii) of this Article and any other rules required for carrying out the provisions of this Article.

Article 44

(1) If any Participating Government considers its interests to be seriously prejudiced by the failure of any signatory Government to ratify or accept this Agreement, or by conditions or reservations attached to any signature, ratification or acceptance, it shall notify the Government of the United Kingdom of Great Britain and Northern Ireland. Immediately on the receipt of such notification, the Government of the United Kingdom of Great Britain and Northern Ireland shall inform the Council, which shall, either at its first meeting, or at any subsequent meeting held not later than one month after receipt of the notification, consider the matter. If, after the Council has considered the matter, the Participating Government still considers its interests to be seriously prejudiced, it may withdraw from this Agreement by giving notice of withdrawal to the Government of the United Kingdom of Great Britain and Northern Ireland within thirty days after the Council has concluded its consideration of the matter.

(2) If any Participating Government demonstrates that, notwithstanding the provisions of this Agreement, its operation has resulted in an acute shortage of supplies or in prices on the free market not being stabilised within the range provided for in this Agreement, and the Council fails to take action to remedy such situation, the Government concerned may give notice of withdrawal from this Agreement.

(3) If, during the period of this Agreement, by action of a nonparticipating country, or by action of any participating country inconsistent with this Agreement such adverse changes occur in the relation between supply and demand on the free market as are held by any Participating Government seriously to prejudice its interests such Participating Government may state its case to the Council. If the Council

declares the case to be well-founded the Government concerned may give notice of withdrawal from this Agreement.

(4) If any Participating Government considers that its interests will be seriously prejudiced by reason of the effects of the basic export tonnage to be allotted to a non-participating exporting country seeking to accede to this Agreement pursuant to Article 41 (4) such Government may state its case to the Council which shall take a decision upon it. If the Government concerned considers that, notwithstanding the decision by the Council, its interests continue to be seriously prejudiced, it may give notice of withdrawal from this Agreement.

(5) The Council shall take a decision within thirty days on any matters submitted to it in accordance with paragraphs (2), (3) and (4) of this Article; and if the Council fails to do so within that time the Government which has submitted the matter to the Council may give notice of withdrawal from this Agreement.

(6) Any Participating Government may, if it becomes involved in hostilities, apply to the Council for the suspension of some or all of its obligations under this Agreement. If the application is denied such Government may give notice of withdrawal from this Agreement.

(7) If any Participating Government avails itself of the provisions of Article 16 (2), so as to be released from its obligations under that Article, any other Participating Government may at any time during the ensuing three months give notice of withdrawal after explaining its reasons to the Council.

(8) In addition to the situations envisaged in the preceding paragraphs of this Agreement, when a Participating Government demonstrates that circumstances beyond its control prevent it from fulfilling its obligations under this Agreement it may give notice of withdrawal from this Agreement subject to a decision of the Council that such withdrawal is justified.

(9) If any Participating Government considers that a withdrawal from this Agreement notified in accordance with the provisions of this Article by any other Participating Government, in respect of either its metropolitan territory or all or any of the non-metropolitan territories for whose international relations it is responsible, is of such importance as to impair the operation of this Agreement, that Government may also give notice of withdrawal from this Agreement at any time during the ensuing three months.

(10) Notice of withdrawal under this article shall be given to the Government of the United Kingdom of Great Britain and Northern Ireland and shall become effective thirty days from the date of its receipt by that Government.

Article 45

The Government of the United Kingdom of Great Britain and Northern Ireland shall promptly inform all signatory and acceding Governments of each notification and notice of withdrawal received under Articles 42, 43, 44, and 46.

CHAPTER XIX.—TERRITORIAL APPLICATION

Article 46

(1) Any Government may at the time of signature, ratification, acceptance of, or accession to this Agreement or at any time thereafter, declare by notification given to the Government of the United Kingdom of Great Britain and Northern Ireland that the Agreement shall extend to all or any of the non-metropolitan territories for whose international relations it is responsible and the Agreement shall from the date of the receipt of the notification extend to all the territories named therein.

(2) Any Participating Government may by giving notice of withdrawal to the Government of the United Kingdom of Great Britain and Northern Ireland in accordance with the provisions for withdrawal in Articles 42, 43 and 44 withdraw from this Agreement separately in respect of all or any of the non-metropolitan territories for whose international relations it is responsible.

In witness whereof the undersigned, having been duly authorised to this effect by their respective Governments, have signed this Agreement on the dates appearing opposite their signatures.

The texts of this Agreement in the Chinese, English, French, Russian and Spanish languages are all equally authentic, the originals being deposited with the Government of the United Kingdom of Great Britain and Northern Ireland, which shall transmit certified copies thereof to each signatory and acceding Government.

Done at London the first day of October one thousand nine hundred and fifty-three.

For Australia:

THOMAS WHITE.

Oct. 20, 1953.

For Austria:

For the Kingdom of Belgium:

MARQUIS DU PARC LOCMARIA.

October 22nd, 1953.

For Bolivia:

For Brazil:

S. DE SOUZA LEAO GRACIE.

October 30th, 1953.

For Canada:

For Ceylon:

For Chile:

For China:

MAO-LAN TUAN.

Oct. 31, 1953.

The Government of the Republic of China, which was represented by the Chinese Delegation throughout the United Nations Sugar Conference held in London from July 13 to August 24, 1953 is the only legitimate Government of China. The Chinese Delegation, in proceeding to sign this Agreement, declares, in the name of the Government of the Republic of China, that it considers as illegal and therefore null and void any declarations or reservations made by any Governments in connection with the Final Act of the United Nations Sugar Conference signed in London on August 24, 1953 or the present Agreement, which are incompatible with or derogatory to the legitimate position of the Government of the Republic of China.

It is further recalled that during the Conference the Chinese Delegation, when supporting the Cuban reservation that the balance of the Cuban 1953 sale to the United Kingdom should not be charged against her 1954 quota, did also declare that the balance of shipment contracted by the Republic of China with Japan for 1953 should be similarly treated. The balance is now estimated at 50,000 metric tons not to be charged against the 1954 quota of the Republic of China. It is with this reservation that the Chinese Delegation signs the present Agreement.

MAO-LAN TUAN.

For Colombia:

For Costa Rica:

For Cuba:

ROBERTO G. DE MENDOZA.

26 de Octubre, 1953.

In affixing their signature to this Agreement, the Government of the Republic of Cuba do so subject to the condition that, in accordance with the understanding reached on the recommendation of the Steering Committee to the United Nations International Sugar Conference on August 21, 1953, and which is contained in documents Conference Room Paper EX 7 and E/CONF./15SR17 it is understood that the shipment after January 1, 1954 of the balance of the Sugar sold by Cuba to the United Kingdom under the 1953 transaction covering 1,000,000 tons, shall not be charged against the export quotas for 1954 established for Cuba under the provisions of this Agreement.

ROBERTO G. DE MENDOZA.

26 de Octubre, 1953.

For Czechoslovakia:

J. ULLRICH

31.10.53.

Signed with following reservations:

In view of the fact that Czechoslovak Economy is a full-scale planned Economy, Article 3, relating to the subsidization of exports of sugar, and Articles 10 and 13 relating to limitations of production and stocks of sugar, are not applicable to Czechoslovakia.

It is understood that Czechoslovakia will supply the Council with relevant statistics and information required under Article 28, par. 4 of the Agreement which it will deem necessary, so as to enable the Council or the Executive Committee to discharge their functions under this Agreement.

The signing of the Agreement mentioning in Articles 14 China (Taiwan) and 34 China in no way signifies recognition of the Kuomintang authorities' power over the territory of Taiwan neither recognition of the so-called "Nationalist Chinese Government" as a legal and competent Government of China.

J. ULLRICH.

For Denmark:

ANTHON VESTBIRK.

30th October, 1953.

At the time of signing the present Agreement I declare that since the Danish Government do not recognise the Nationalist Chinese authorities as the competent Government of China they cannot regard signature of the Agreement by a Nationalist Chinese representative as a valid signature on behalf of China.

ANTHON VESTBIRK.

For the Dominican Republic:

LUIS LOGRONO COHEN.

26th October 1953.

For Finland:

For France and the countries which France represents internationally:

R. MASSIGLI.

26 octobre 1953:

For the Federal Republic of Germany:

DR. KARL MÜLLER.

30 Okt. 1953:

For Greece:

J. PHRANTZES.

31 October 1953:

For Haiti:

LOVE O. LEGER.

29 octobre 1953.

For the Hungarian People's Republic:

For India:

For the Republic of Indonesia:

For Israel:

For Italy:

For Japan:

S. MATSUMOTO.

28th October, 1953.

For the Hashemite Kingdom of Jordan:

For Lebanon:

VICTOR KHOURI.

October 31, 1953.

For Mexico:

FRANCISCO A. DE ICAZA.

30 Octubre 1953.

For the Kingdom of the Netherlands:

Subject to the reservation that the agreement does not apply to the movement of sugar between the component parts of the Kingdom.

STIKKER.

30 October 1953.

For New Zealand:

For Nicaragua:

For the Kingdom of Norway:

For Pakistan:

For Peru:

For the Republic of the Philippines:

ENRIQUE M. GARCIA.

30th October, 1953.

For the Polish People's Republic:

E. MILNIKIEL.

31.10.1953.

1. The signing of this agreement, which in articles 14 and 34 mentions China, may under no circumstances be regarded as a recognition of the authority of the Kuomintang over the territory of Taiwan nor of the so-called "Chinese nationalist government" as the legal and competent government of China.

2. Considering the fact that the Polish People's Republic is a country of a planned economy, the provisions of the present Agreement concerning production, stocks, and subsidisation of export, especially Articles 10, 13, and 3 do not apply to the Polish People's Republic.

E. MILNIKIEL.

For Portugal:

ALBANO NOGUEIRA.

30th October, 1953.

At the time of signing the International Sugar Agreement on behalf of the Portugese Government I desire to formulate the reservation already recorded in the Minutes of the International Sugar Conference to the effect that I do so on the understanding that the Province of Mozambique (Portuguese East Africa) will continue to export sugar to the territories of Southern Rhodesia, Northern Rhodesia, and Nyasaland, and that Portugal will be recognised as an exporting country to which, in consequence, a basic export quota will be allotted when her position shall have become that of a Net Exporter.

ALBANO NOGUEIRA.

For Saudi Arabia:

For Spain:

For Sweden:

For Switzerland:

For Syria:

For the Kingdom of Thailand:

For Turkey:

For the Union of South Africa:

A. L. GEYER.

30th October, 1953.

For the Union of Soviet Socialist Republics:

N. ANDRIENKO.

29th October 1953.

It is understood that in view of the social-economic structure of the Union of Soviet Socialist Republics and its planned system of national economy, articles 10 and 13, concerning restrictions of production and stocks, and likewise article 3, concerning subsidizing of exports of sugar, are inapplicable to the Union of Soviet Socialist Republics. [Translation.]

The signing on behalf of the Union of Soviet Socialist Republics of the preceding text of the Agreement which mentions in article 14 China (Taiwan) and in article 34 China, in no degree means the recognition of the authority of the Kuomintang over the territory of Taiwan, nor the recognition of the so-called "Nationalist Government of China" as the legal and competent Government of China. [Translation.]

N. ANDRIENKO.

29th October, 1953.

For the United Kingdom of Great Britain and Northern Ireland:

H. D. HANCOCK.

16th October, 1953.

At the time of signing the present Agreement I declare that since the Government of the United Kingdom do not recognise the Nationalist Chinese authorities as the competent Government of China they cannot regard signature of the Agreement by a Nationalist Chinese representative as a valid signature on behalf of China.

The Government of the United Kingdom interpret Article 38 (6) as requiring the Government of the country where the Council is situated to exempt from taxation the funds of the Council and the remuneration paid by the Council to those of its employees who are not nationals of the country where the Council is situated.

H. D. HANCOCK.

For the United States of America:

WINTHROP W. ALDRICH.

23rd October, 1953.

For the Federal People's Republic of Yugoslavia:

P. TOMIC.

30th of October, 1953.

Certified a true copy:

[FOREIGN OFFICE SEAL]

E. J. PASSANT.

Librarian and Keeper of the Papers for the Secretary of State for Foreign Affairs.

30 Nov 1953

UNITED STATES FOREIGN TRADE POLICY

DIVIDE AMERICAN MARKETS THROUGH TRADE AGREEMENT

Mr. MALONE. Mr. President, the junior Senator from Nevada is constrained to comment on the news dispatches of the day.

THE WOOL SUBSIDY BILL

Yesterday, we passed a wool subsidy bill. The reason we had to pass a wool subsidy bill was that the State Department practically eliminated the wool industry in the United States through their trade agreement with Australia, New Zealand, South Africa, Uruguay, Argentina, and other nations, to lower the tariff on wool—operating under the 1934 Trade Agreements Act as extended. By that procedure they cut the production of wool in half during the past few years.

The wool producers have continually requested equal access to their own markets through a flexible duty or tariff, that is, the markets in the United States. That would represent the difference in wages, taxes, and pertinent factors here and in the chief competitive nation.

INDUSTRIES IN GEORGIA

This morning's New York Journal of Commerce carries an article by the Governor of Georgia, detailing the industries in that State which have been developed over the past few years.

Mr. President, I ask unanimous consent to have the marked portion of the article printed in the RECORD at this point as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Governor Talmadge noted that the value of the State's manufactures now is approximately $4 billion and is steadily growing. In industrial development, the State last year led the entire South, with 270 new or expanded plant locations.

These factories, he said, are affording new employment to 15,000 persons and are adding $50 million a year in payrolls to the State's economy.

A typical example of this new industry trend, he declared, is the Rayonier Corp.'s new $25 million plant at Jesup which will manufacture synthetic fibers from wood cellulose made from Georgia pine trees.

At a luncheon gathering of 600 members of the Traffic Club of New York at the Hotel Commodore, the Governor declared Georgia has corrected the mistakes of the one-crop economy. Cotton, though still the main money crop, has been succeeded by other activities so that Georgia now ranks sixth among the States in the output of the staple fiber.

Mr. MALONE. Mr. President, I note that Georgia is prominently included in the list of the 27 States included in the 80 depressed labor areas, which were mentioned and described in my address to the Senate on March 31, at page 4178 of the RECORD. All Georgia textile industries need is equal access to the American markets, that is, a duty or tariff adjusted upon the basis of fair and reasonable competition.

THE CARPET MILLS OF AMERICA

Mr. President, I call attention to an article published in today's Journal of Commerce entitled "Worker Aid Urged in Import Fight." The article states, in part:

One of the reasons there isn't more work in American carpet mills today is the inroad imported goods are making in the United States retail market, A. & M. Karagheusian, Inc., has told its employees.

In the current issue of the company's monthly news organ, the company has called upon employees to inform their Senators and Congressmen that foreign goods, produced by workers whose wages are but a fraction of the United States scale, are already offering stiff competition in the market here and a further cut in duties would seriously aggravate the situation.

Mr. President, I ask unanimous consent that the entire article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WORKER AID URGED IN IMPORT FIGHT

One of the reasons there isn't more work in American carpet mills today is the inroads imported goods are making in the United States retail market, A. & M. Karagheusian, Inc., has told its employees.

In the current issue of the company's monthly news organ, the company has called upon employees to inform their Senators and Congressmen that foreign goods, produced by workers whose wages are but a fraction of the United States scale, are already offering stiff competition in the market here and a further cut in duties would seriously aggravate the situation.

"Foreign carpet manufacturers use the same equipment we do—12-, 15-, and 18-foot looms. The European manufacturer not only pays low wages, he also copies the styles and colors of the American carpet. He does not spend advertising and promotion dollars, as do American manufacturers, to promote the sale of his output in this country," the appeal states.

"The carpet industry favors and makes a considerable contribution to world trade. It engages in international commerce to the extent of $100 million a year in imports of raw materials—a large proportion for a $400 million industry. But other countries do not buy our carpets and rugs," the statement continued.

DUTIES HAVE BEEN SLASHED

The company pointed out that tariff on imported carpets is now 25 percent of value, a reduction of 58.3 percent in the past 23 years. In 1930 the duty was 60 percent of value and cuts were subsequently effected in 1948 and 1951.

"Carpets manufactured overseas are now entering this country at a rate of 3,300,000 square yards per year and for every yard imported an hour is lost to the United States worker. Imports meant the loss of about

3-weeks' work for carpet workers in this country last year," the company told its employees.

THE CHICORY BUSINESS AND 500 OTHER BUSINESSES

Mr. MALONE. Mr. President, in the same issue of the Journal of Commerce—and it seems as though one can review any newspaper any day and read several articles dealing with more imports and more unemployment—there appears an article entitled "FERGUSON, WOLCOTT Plead for Tariff Hike on Chicory." The article reads:

Senator HOMER FERGUSON, Republican, of Michigan, today asked that the United States Tariff Commission recommend protection of chicory-growing and -processing industry from foreign competition.

Mr. President, I ask unanimous consent to have the entire article printed in the RECORD at this point, as a part of my remarks.

There is no difference in the tariff or duty needed in the chicory industry and in the wool industry, in the crockery industry, in the watch industry, and in 500 other industries, and in mining. All they need is equal access to their own American markets.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FERGUSON, WOLCOTT PLEAD FOR TARIFF HIKE ON CHICORY

WASHINGTON, April 27.—Senator HOMER FERGUSON, Republican, of Michigan, today asked that the United States Tariff Commission recommend protection of the chicory-growing and -processing industry from foreign competition.

The Tariff Commission today initiated an investigation of concessions granted to imported ground chicory to determine "whether sufficient reason exists for a recommendation to the President" to invoke the so-called "escape clause" of the general agreement on tariffs and trade.

Senator FERGUSON, stating that he was concerned with possible bad effects of imports on two Michigan chicory manufacturers, said that he believes "the small as well as the large concerns should have protection from imports when needed."

He told the commission that "this is one of those cases where we have to make a choice" on whether an industry is to be refused protection because it is small.

"With regard to foreign trade generally," he said, "I don't think granting protection to chicory processors would make much difference because the group is small." He said there were in Michigan about 100 persons engaged in the processing of chicory and about 175 growers.

Another Michigan Republican, Representative JESSE WOLCOTT, asked the commission to consider the fact that the number engaged in Michigan chicory production has slipped from 700 or 800 since the Second World War to the figures cited by Senator FERGUSON.

Admitting that the overall volume of chicory imports, sent principally from France, Holland, and Belgium, amounted to only $390,000 in 1953, Representative WOLCOTT said nevertheless he felt the domestic group should be protected.

Appearing in support of chicory protection were: Richard A. Tilden, counsel, New York; Gordon H. McMorran, president, E. B. Muller & Co., Port Huron, Mich.; Rockwood Bullard, president, Heinrich Franck Sons, Inc., another Michigan chicory firm, also of Port Huron; and R. E. Schanzer, president of the New Orleans chicory producers, R. E. Schanzer, Inc.

Appearing in support of the importers' position were W. B. Reily, Jr., president, Wm. B. Reily & Co., Inc., New Orleans; and W. Kaars-Sypesteyn, president, Overseas Trading, Inc., also of New Orleans.

THE CIGARETTE EXPORT BUSINESS—FOREIGN TARIFFS AND REGULATIONS

Mr. MALONE. Mr. President, on page 17 of the Journal of Commerce of April 28, 1954, there appears an article entitled "Colombian Trade Briefs—Cigarette Import Rules Tightened."

The article states, in part:

The Colombian Government has issued stringent rules with respect to imports of cigarettes in an effort to curb smuggling.

Law Decree 1099 provides that each cigarette must bear the imprint "Colombia" in addition to the former rule that each package must be identified with the word "Colombia" and the name and address of the distributor.

I ask unanimous consent that the article be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COLOMBIA TRADE BRIEFS—CIGARETTE IMPORT RULES TIGHTENED

BOGOTÁ.—The Colombian Government has issued stringent rules with respect to imports of cigarettes in an effort to curb smuggling.

Law Decree 1099 provides that each cigarette must bear the imprint "Colombia" in addition to the former rule that each package must be identified with the word "Colombia" and the name and address of the distributor.

In the case of cigars, every brand must show the word Colombia. Packages of pipe and chewing tobacco must be identified similarly.

Article 1-b of the decree states that the import license must bear a notation of compliance with these new regulations.

FOR THE ARMY

Cigarettes, cigars, and tobacco imported for sale by the Colombian Armed Forces commissaries also require the imprint "Colombia" on each cigarette and an identification on the wrappers reading in Spanish: "Furezas Militares. Prohibids la venta a particulares." (Armed Forces. Resale to outsiders prohibited.) This identification is inserted on the wrapper instead of the name of the regular distributor.

Certification of consular invoices has been made subject to a provision that each manufacturer submits a monthly statement to the Colombian Consulate of shipments made to Colombia indicating names and quantities.

This list will be sent to the Customs Bureau in Bogotá, which will advise the respective collectors of customs. Compliance with these rules is mandatory in order to ship cigars, cigarettes, or tobaccos to Colombia.

MUST FILE CUSTOMERS

Importers in Colombia are also obliged to file with the Bureau of Customs a list of imports during the last 6 months as well as the names of customers buying in "commercial quantities."

The Bureau of Customs may prohibit importation of any brand of cigarettes if proof is obtained that the manufacturer has failed to comply with these rules or had previously cooperated in illegal shipments to Colombia.

Article 9 of the decree retains the extra tax of 0.12 pesos per pack of cigarettes which is distributed among the Departments and National Territories.

A new ruling, however, provides that small packages of 10 cigarettes or less are assessed only half this amount. Containers with more than 20 cigarettes pay proportionately higher excise taxes.

Cigars, smoking or chewing tobacco pay a departmental tax of 0.50 pesos ($0.20) for each container.

The new regulations become effective June 1.

COAL STATE GOVERNORS

Mr. MALONE. Mr. President, in the Journal of Commerce of April 27, 1954, there appears an article entitled "Coal States To Fight Oil Imports."

All that the article states is that the coal industry is suffering from the imports of residual oil and petroleum from the lower cost production nations, notably Venezuela and the Middle East.

Apparently all that the coal and oil industry needs is equal access to the markets of the United States.

I ask unanimous consent that the article be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COAL STATES TO FIGHT OIL IMPORTS

WASHINGTON, April 26.—Sixteen coal-producing States through their Governors today launched an all-out campaign against oil imports.

In a concerted move, initiated by Gov. John S. Fine, of Pennsylvania, the Governors took steps to form an executive committee for full study of the problem, and development of a program to save the coal industry's markets "against unlimited importation of residual (heavy) fuel oil by half a dozen oil companies."

CALLED NATIONAL PROBLEM

In offering the motion for appointment of the executive group, Gov. George N. Craig, of Indiana, said concerted action is necessary because the problem is national in scope, and should be brought before the Congress and the public as speedily as possible.

Governor Fine said the Governors probably will meet tomorrow to name their executive committee, and adopt means to make their antioil imports alliance permanent.

Interior Secretary Douglas McKay, who addressed today's preliminary meeting, expressed hope that the conference will be continued and made permanent. He said, "I think this meeting and these discussions today will point the way toward better days for coal."

Senator GEORGE W. MALONE, Republican of Nevada, chairman of the Senate Subcommittee on Minerals, Materials, and Fuels Economic Policy, told the conferees his subcommittee is "at your service." Declaring that the regulation of foreign trade was shifted from Congress to the executive branch through passage of the Trade Agreements Act, Senator MALONE urged the Governors to focus their attention on Washington.

TIME FOR GOVERNORS TO ACT

He said if you put a tent over Washington, "all you have is an international lobby, it's time the Governors took a hand."

The meeting, which was attended by some 75 representatives of the Federal and State governments, coal operators and the Mine Workers Union, also heard addresses by Governor Fine, John L. Lewis, president of the United Mine Workers of America, Tom Pickett, executive vice president of the National Coal Association, and Frank W. Earnest, Jr., president of the Anthracite Institute.

Governor Fine arranged the meeting on the eve of the annual Governors' Conference, which opens tonight at the White House.

John L. Lewis roared defiance at the "lobbyists of the oil companies, however powerful they may be," declaring we need a national fuels policy to determine what are the demarcation lines between the use of

solid and liquid fuels in this country. In the event of war, Mr. Lewis said the Russians could "pinpoint and destroy 10 refining areas," leaving America "afoot" and our industrial economy stagnant.

With equal vehemence, Mr. Lewis denounced the $100 million loan to the European Coal and Steel Community made public by the United States Government last Friday. Stating that it is a moral certainty the money will not be repaid to American taxpayers, the mine workers chief pointedly declared that in case of an emergency the American coal industry presumably will be more important to United States welfare than foreign industries.

ATTACKS FUEL POLICY

Citing the high productivity of American coal miners and the vital need of maintaining sound economic conditions for an undiminishable resource such as coal, Mr. Lewis blasted as suicidal any fuels policy which permits the coal industry to drift into chaos, discourages investors, and disperses trained coal producers.

He scored the importation of foreign oil as designed to "please our diplomats in the State Department and a few oil companies."

Marking how our tankers fell prey to enemy submarines in World War II and how the danger looms worse in case of another war, Mr. Lewis cited the increased coal production accomplished during previous emergencies. He termed it "An exemplification of free enterprise to which our statesmen should give heed."

Mr. Pickett declared one of the major economic handicaps of domestic coal producers is the unfair and governmentally encouraged competition from foreign residual oil. He said this waste product from foreign refineries is "dumped on the industrial fuel markets of the eastern seaboard at whatever price is required to beat coal competition."

Warning that first quarter 1954 oil imports are increasing, Mr. Pickett said the 136 million barrels of residual oil imported in 1953 resulted in economic losses to various segments of the economy as follows: Coal producers, $161 million; railroads, $91 million; coal miners, $81 million; railroad labor, $45 million; and Federal, State, and local taxes, $41 million.

Contrasting the economic losses as outlined by the National Coal Association spokesman, Mr. Earnest said the only beneficiaries of oil imports are seven major companies which have extensive investments in foreign oil fields and find the Atlantic seaboard the best market for dumping foreign oil.

He said some Congressmen voted against the Simpson oil-imports limitation bill last year under the misapprehension they were insuring lower heating costs for their constituents. The imported oil is used primarily by utilities and industrial plants and has a negligible effect on consumer cost of living, Mr. Earnest said.

Besides Govs. John S. Fine and George N. Craig, the other Governors attending the conference were: C. J. Rogers, Wyoming; L. J. Wetherby, Kentucky; William G. Stratton, Illinois; Norman Burnsdale, North Dakota; William C. Marland, West Virginia; J. Bracken Lee, Utah; Dan Thornton, Colorado; Johnson Murray, Oklahoma; and Frank I. Lausche, Ohio.

The Governors of Kansas, Alabama, Tennessee, Missouri, and Virginia sent personal representatives.

OPERATORS URGE ACTION

Joseph E. Moody, president of the Southern Coal Producers' Association, presented a resolution adopted last Friday by bituminous-coal operators urging the governors to form an organization for joint action in behalf of the States and industry on coal problems.

Governor Fine referred the resolution to the pending executive committee. Mr. Lewis indicated the mine workers may also bring a resolution before the group.

GIVE OUR CROPS AWAY WITH NO RETURNS

Mr. MALONE. Mr. President, in the first page of the Journal of Commerce of April 28, 1954, there appears an article entitled "Unlimited Crop Surplus Power Sought by United States." The subhead reads "Free Hand To Arrange Barters, Gifts, or Sales Overseas Is Proposed."

The article reads, in part:

The administration today asked Congress for a completely free hand in disposing of United States farm surpluses abroad by giving them away, bartering them, or selling them for dollars or foreign currencies.

I ask unanimous consent that the marked portions of the article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the excerpt from the article was ordered to be printed in the RECORD, as follows:

UNLIMITED CROP SURPLUS POWER SOUGHT BY UNITED STATES—FREE HAND TO ARRANGE BARTERS, GIFTS, OR SALES OVERSEAS IS PROPOSED

WASHINGTON, April 27.—The administration today asked Congress for a completely free hand in disposing of United States farm surpluses abroad by giving them away, bartering them, or selling them for dollars or foreign currencies.

John H. Davis, Assistant Secretary of Agriculture, told the House Agriculture Committee that "the President should be authorized to make agriculture surpluses available to any nation or organization of nations friendly to the United States for such purposes as to maintain economic progress, to increase consumption, to encourage economic development, to promote new or expanded markets, and trade, to promote defense strength, to purchase strategic materials, and to pay United States obligations."

Mr. MALONE. Mr. President, I wish to comment on the article. We have just sent $100 million to Europe, to increase their steel and coal production to better compete with American producers. The machine tool industry in this country is suffering increasingly from the imports. Nevertheless the Mutual Security Agency, through its Director, Mr. Harold Stassen, is now arranging to give the nations throughout Europe and Asia more funds.

We are purchasing from India for cash 900,000 tons of manganese annually. Nothing is said about such cash and grain applying on such purchases.

I noticed in the press dispatches yesterday that India refused to allow our airplanes to fly across India. I would suggest that is about time, if we are going to give away cash or surpluses or any other material for which the American taxpayers have paid, that we exchange our surpluses for the things we need from such foreign countries. India can stop the shipments of critical materials to this Nation at any time—she did stop the export of monosite sand in peacetime—and she certainly would stop such shipments in wartime.

ZINC AND LEAD

I note in another article in the same issue of the newspaper that lead and zinc employment is down 20 percent. The article reads:

Employment in lead and zinc industries has dropped more than 20 percent since January 1952, according to a report by the Tariff Commission.

I might say that the Tariff Commission also made a report recently on the needs of the industry if it is to have equal access to our own American markets.

The production of lead and zinc has been reduced in the same manner that the production of wool and other commodities has been reduced—and for the same reason—the State Department traded their markets to the foreign sweatshop labor countries—through the provisions of the 1934 Trade Agreements Act.

All of the dispatches seem to be to the effect that the press dispatches continually describe the flow of taxpayers' money to foreign nations and the flow of their imports to this country displacing the production of our own people. We seem to have retained the same "divide the wealth" "one economic worlders" in responsible Government positions.

Mr. President, if, in connection with the additional position of Assistant Secretary of Agriculture mentioned by the acting majority leader, we might select one who could add as well as subtract, one who understands trading surplus crops for materials we could use, it would be very helpful.

PRICE-SUPPORT PROGRAM

Mr. YOUNG. Mr. President, it has been contended on the floor of the Senate recently that the present price-support program is a failure because it has not kept cash prices up to support levels. A good reason why farm prices are below support level will be seen in an article contained in the Wall Street Journal of this morning. I should like to read a small portion of it, Mr. President:

Wheat broke sharply on the Chicago Board of Trade yesterday. It ended with losses extending to 8 cents a bushel. Other grains declined in sympathy with wheat. There were several waves of selling with the last one following news that the Senate had defeated a move to extend rigid price supports on basic crops through 1954. This news also affected the cotton market, where prices dipped as much as 70 cents a bale. Other easy spots yesterday included fats and oils, wool and eggs.

Mr. President, it has been contended that support prices for basic farm commodities involve only approximately 25 percent of all farm commodities produced in the United States, and that it is unfair to support prices on only a few commodities.

I think this article proves conclusively that the prices of basic farm commodities affect the prices of all other commodities. This big drop yesterday shows very graphically what will happen to our economy if we put into effect a lower price-support program which many are advocating. We would be legislating another depression.

I ask unanimous consent that the entire article be printed in the RECORD, as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEAT BREAKS IN CHICAGO AS SENATE REJECTS RIGID PRICE PROP EXTENSION; OTHER GRAINS OFF

Wheat broke sharply on the Chicago Board of Trade yesterday. It ended with losses extending to 8 cents a bushel. Other grains declined in sympathy with wheat. There were several waves of selling with the last one following news that the Senate had defeated a move to extend rigid price supports on basic crops through 1954. This news also affected the cotton market, where prices dipped as much as 70 cents a bale. Other easy spots yesterday included fats and oils, wool and eggs.

Coffee and cocoa continued to climb. Coffee futures gained 2 cents a pound, the daily permitted limit, for the second straight day. In the wholesale market green coffee beans advanced 2¼ to 2¾ cents a pound. Cocoa futures were up 5 to 55 points. Dealer and manufacturer demand for cocoa futures was spurred by firmness at London.

Volume of business in all major commodity futures markets was good yesterday. Dealers noted considerable uncertainty over the confused Indochina situation which they said was responsible for heavy purchases of commodity futures on Monday. Many traders yesterday liquidated their holdings and adopted sideline positions pending concrete developments in that situation.

Futures markets for copper and silk were inactive.

LOWER

Wheat: Off 4 to 8⅛ cents a bushel at Chicago. Minneapolis was off 2¾ to 3¾ cents, with Kansas City off 3⅛ to 4 cents. Liverpool wheat was off ½ to up ¼ cent.

Soybeans: Off 4½ to 9⅜ cents a bushel at Chicago.

Soybean oil: Off 24 to 36 points at New York.

Cottonseed oil: Off 7 to 24 points at New York.

Lard: Off 20 to 110 points at Chicago.

Corn: Off ½ to 2⅛ cents a bushel at Chicago.

Oats: Off ½ to 1¼ cents a bushel at Chicago. Minneapolis was off ⅜ cent, with Winnipeg off ⅛ to ¼ cent.

Rye: Off 1¾ to 2½ cents a bushel at Chicago. Minneapolis was off 2⅛ to 2¾ cents, with Winnipeg off 1⅝ to 2⅛ cents.

Cotton: Unchanged to off 14 points at New York. New Orleans was off 9 to 21 points.

INTERNATIONAL SUGAR AGREEMENT

The Senate, as in Committee of the Whole, resumed consideration of the International Sugar Agreement, dated in London, October 1, 1953.

Mr. KNOWLAND. Mr. President, so that Senators will be on notice, I am about to suggest the absence of a quorum, and then I wish to serve notice on the Senate that, pursuant to the policy which has heretofore been followed with reference to treaties, when the time comes to vote on the treaty we shall first have a quorum call, and then have a yea-and-nay vote on it. I make this announcement so that Senators will have adequate notice and be able to be present at that time.

Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. UPTON in the chair). Without objection, it is so ordered.

Mr. AIKEN. Mr. President, the main purpose of the International Sugar Agreement, now before the Senate, is to stabilize the world free market in sugar and to increase consumption. Exporting countries are assigned basic export tonnages which are to be adjusted by the International Sugar Council with the objective of keeping the free market price range between 3.25 and 4.35 cents a pound.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ELLENDER. As I understand the provision to which the Senator from Vermont has just referred, it is a change from the agreement of 1937, wherein no such floor and ceiling were fixed. I wonder if the Senator will state any other pertinent changes which may have been made from the agreement of 1937.

Mr. AIKEN. Yes. I am very glad to have the suggestion of the Senator from Louisiana.

The principal differences between the proposed International Sugar Agreement and the old agreement are as follows:

First, the old agreement did not provide for equal voting by importer and exporter nations. The importers had 55 percent of the total votes, and the exporting nations had 45 percent. In the present agreement, importers and exporters have a total of 1,000 votes each.

Mr. ELLENDER. That places them on a 50–50 basis, does it not?

Mr. AIKEN. That is correct; it places them on a 50–50 basis. The previous agreement was on the basis of 55 percent for importers and 45 percent for exporters.

In the second place, the old agreement did not establish a price range to guide the International Sugar Council in revising export quotas. The present agreement fixes a price range of from 3.25 to 4.35 cents a pound.

Mr. ELLENDER. That is the change which the Senator from Vermont mentioned in his opening remarks, is it not?

Mr. AIKEN. That is what I have just stated.

Mr. ELLENDER. Yes.

Mr. AIKEN. Another change between the proposed agreement and the old agreement is that the old agreement provided for exporters to maintain minimum stocks of 10 percent of their export tonnages, and maximum stocks of 25 percent of annual production. The new agreement provides minimum stocks of 10 percent of export tonnages, which can be increased by the Council to 15 percent and maximum stocks of 20 percent of annual production.

These are the principal changes between the old agreement and the new agreement.

Mr. ELLENDER. Mr. President, will the Senator further yield?

Mr. AIKEN. I yield.

Mr. ELLENDER. As I understand, the pending sugar agreement does not in any manner affect or have any relation to the domestic Sugar Act, now on the statute books. Is that correct?

Mr. AIKEN. It does not have any relation in the slightest.

Mr. SALTONSTALL and Mr. FREAR addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Vermont yield; and if so, to whom?

Mr. AIKEN. I yield first to the Senator from Massachusetts, who I believe first rose.

Mr. SALTONSTALL. Several persons who object to the agreement have come to my office, the principal one being Mr. Harry R. Chapman, vice president of the National Confectioners' Association, who has a place of business in Cambridge, Mass. I observe that his testimony appears at page 66 of the hearings. As I understand, his objection is to the effect that the agreement would increase the price of sugar to such a degree that it would conflict with the confectionery business and make it more difficult for confectioners to compete with foreign countries, in view of the import duties on the finished products, and so forth. At the bottom of page 68 of the hearings, the statement is made as follows:

> Nevertheless, once this cartel is placed in operation, it would be possible to get this price increased, even though it required a "special vote" of the Council. We believe that the provision setting the price within the range of the present world price is merely bait to get the cartel adopted, with the intention of later increasing the price. Actually, the price might be increased materially without amending the agreement, inasmuch as present world prices are well below the 4.35 cents per pound maximum price specified in the agreement.

I should appreciate having the Senator from Vermont, who is in charge of the agreement, answer the objections.

Mr. AIKEN. I think the charges made by Mr. Chapman before the committee were unfounded. In my opinion, his objections were directed primarily to the Sugar Act, which has nothing whatsoever to do with the International Sugar Agreement.

I might say that Mr. Chapman was one of the most frank witnesses I have ever heard. He very frankly wanted to obtain sugar at the lowest possible price for the confectioners of the United States. He very frankly stated that he thought there should be no protection whatsoever for domestic producers of cane and beet sugar. I should like to read some of the colloquy which took place between me, as chairman of the committee, and Mr. Chapman, in order to emphasize the frankness of his testimony. The colloquy is as follows:

> Senator AIKEN. Do you think that the subsidy on domestic sugar consumption is a good thing?
>
> Mr. CHAPMAN. You mean the processing tax, and so forth?
>
> Senator AIKEN. That's right.
>
> Mr. CHAPMAN. Well, I think it is these taxes, import duties, and the Sugar Act of 1948 that keep domestic sugar prices higher than the world price.
>
> Senator AIKEN. And you would favor the sale of sugar in the United States at the world market price?
>
> Mr. CHAPMAN. Absolutely, if we are to meet foreign competition on sugar-containing products.

Senator AIKEN. That would mean no tariff, wouldn't it?

Mr. CHAPMAN. Yes; it probably would mean the elimination of the tariff on sugar and some of the restrictions in the Sugar Act of 1948. Some changes would undoubtedly have to be made to get rid of the 2½ cents difference between the United States and the world price for sugar.

Senator AIKEN. Do you have any tariff protection for manufactured products?

Mr. CHAPMAN. Yes; we do, but it isn't adequate. [Laughter.]

I then remarked to Mr. Chapman:

You are a perfectly normal human being. That is what they all say.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ELLENDER. Is it not true that the persons to whom the Senator from Massachusetts has referred, and many others in the same category, have been the main objectors to the present domestic sugar act?

Mr. AIKEN. They certainly have. Mr. Chapman certainly was objecting to the domestic sugar act. He would do away with the subsidy to the domestic producers of cane and beet sugar. He would eliminate the tariff, so that as a practical matter sugar could not be produced in the United States in competition with the world price. Then he would raise the tariff on imported candy products.

Mr. BARRETT and Mr. SALTONSTALL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Vermont yield; and if so, to whom?

Mr. AIKEN. I yield first to the Senator from Wyoming.

Mr. BARRETT. Mr. President, I think it is very pertinent to point out that the price of raw sugar delivered in New York at the present time is lower than it was at the time the controls were taken off in 1947. The price now is $6.20 as compared to $6.32 then. The price of beet sugar in Chicago is quoted at $8.45 per hundred pounds against the old ceiling price of $8.30. Actual deliveries of beet sugar are now being made at around 8 cents per pound and this is the basis of returns to sugar-beet farmers.

Refined sugar is $8.80, or about 5 percent above ceiling price in October 1947.

Mr. AIKEN. The United States today is one of the low-cost sugar nations of the world. Great Britain is another low-cost sugar country. In most of the nations consumers pay a considerably higher price than do consumers in the United States and Great Britain.

Mr. SALTONSTALL. Mr. President——

Mr. AIKEN. I yield further to the Senator from Massachusetts.

Mr. SALTONSTALL. Of course, I am in favor of some tariffs; we all are. However, I should like to ask the Senator from Vermont, who has a reputation for being very fair-minded, whether if the International Sugar Agreement should be put into effect, it would be a fair agreement to the sugar-producing interests and to the consumer interests, or as fair as it could be made, in view of the whole sugar situation in Cuba, the Philippines, the United States, the Hawaiian Islands, and other sugar-producing countries. In other words, would the agreement bring about the best possible results for our own sugar production, help to keep other sugar-producing countries in a strong economic position, and make it possible for the confectionery interests to obtain their sugar at sufficiently low prices so that they could do business?

Mr. AIKEN. I believe there is nothing in the International Sugar Agreement which would be harmful to the confectionery interests of the United States. I see no possibility of their achieving the very low-cost sugar which they desire so long as the United States Sugar Act is on the statute books. I see no likelihood of the United States Sugar Act being removed from our statutes, because the sugar industry in the United States is a tremendous one, and the industry would have to go out of business if the law were not retained.

Mr. SALTONSTALL. In other words, if the International Sugar Agreement were approved, it would keep matters rolling along about as they are, without any great change up or down in the price of sugar.

Mr. AIKEN. I would say that the Senator is entirely correct. The price of sugar in the United States is regulated under the terms of the United States Sugar Act, and, so far as I can see, would not be affected by the adoption of the International Sugar Agreement.

Mr. SALTONSTALL. I thank the Senator from Vermont for yielding to me.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Delaware.

Mr. FREAR. It is my desire to favor the beet- and cane-sugar producing States, but I should like to know how Vermont fits into the sugar agreement. The people of Vermont produce sugar, do they not?

Mr. AIKEN. The people of Vermont cannot sell the people in Delaware sugar at 9 cents a pound, however.

Mr. FREAR. What is the basis for wanting the International Sugar Agreement? Why is the Senate being asked to adopt it?

Mr. AIKEN. It is an effort to stabilize the economic and political status of several of our smaller Caribbean neighbors.

Mr. FREAR. To which Caribbean neighbors does the Senator from Vermont refer?

Mr. AIKEN. I refer to Cuba, the Dominican Republic, Haiti, and, to a lesser extent, the Philippines.

Mr. FREAR. Will the Senator from Vermont please inform me how adoption of the International Sugar Agreement will stabilize the economic and political status of Cuba?

Mr. AIKEN. As I recall, the price of sugar in Cuba now is about 3.3 cents a pound. The International Sugar Agreement undertakes to fix a minimum price of 3¼ cents a pound on Cuban sugar. It is perfectly obvious that for a nation whose economy depends upon sugar to as great an extent as Cuba does—I will not say it is exactly 90 percent of the Cuban economy, but it is about that—a complete collapse of the market, and a drop in the price of sugar to perhaps 2 cents a pound would have an effect on the political affairs and the economy of the country which can easily be imagined.

Mr. FREAR. Is the adoption of the International Sugar Agreement necessary in order to avoid such a result as that suggested by the Senator from Vermont? Could not the objective sought to be attained be accomplished by another method?

Mr. AIKEN. Yes; I suppose the United States could buy the whole sugar output of Cuba at a price; but it would be expensive. I make no guaranty that the approval of the International Sugar Agreement for another 5 years will absolutely guarantee a stable economy or stable politics in these Caribbean neighbors of ours; but it is believed, by people who are more experienced in these affairs, than I am, that approval of the International Sugar Agreement will go a long way toward establishing stable conditions at our front door.

Mr. FREAR. I should like to ask the Senator from Vermont what percentage of the sugar imported into the continental United States, other than that which comes from our own Territories, is imported from Cuba.

Mr. AIKEN. The amount of sugar imported from such countries is fixed by the Sugar Act.

Mr. FREAR. Does the Senator from Vermont refer to the domestic Sugar Act?

Mr. AIKEN. Outside of the Philippines, 96 percent of the sugar imports into the United States come from Cuba. When I speak of the United States, I include the continental United States and the Territories.

Mr. FREAR. I think that percentage is correct. I should like to ask who sets that percentage.

Mr. AIKEN. The Congress sets up the machinery for fixing all percentages.

Mr. FREAR. By what agency is the amount fixed? The Congress does not set it.

Mr. AIKEN. In the United States Sugar Act, Congress set the percentage for Cuba at 96 percent.

Mr. FREAR. Who administers the United States Sugar Act?

Mr. AIKEN. The Department of Agriculture administers the United States Sugar Act.

Mr. FREAR. If it is desired to stabilize the economy of Cuba and help that country politically, cannot that be accomplished by having the Secretary of Agriculture and the Department of Agriculture authorize larger purchases of sugar from Cuba, or authorize greater purchases of sugar outside the United States, of which 96 percent comes from Cuba?

Mr. AIKEN. I think I can state unhesitatingly that if the Department of Agriculture undertook to buy a considerably larger part of its sugar requirements from other nations, it would promptly run into trouble with Congress.

Mr. FREAR. I did not quite understand the statement of the Senator from Vermont. Would he mind restating it?

Mr. AIKEN. I say that if the United States Department of Agriculture undertook to make arrangements by which a much larger percentage of its sugar requirements were purchased from other nations, it would promptly run into trouble with Congress.

I see the Senator from Louisiana half way to his feet. I think he would have some idea of making trouble under those circumstances.

Mr. FREAR. Mr. President, I think it is not only the confectioners in this country or the companies who manufacture candy who are interested in the price of sugar; I believe 160 million people are interested in the price of sugar, because I suspect that every householder in the United States buys sugar for domestic use. I think they are just as much interested in the price of sugar as are the makers of chocolate and other candies.

Mr. AIKEN. I am very happy to say to the Senator from Delaware that, although this country is a high-price-level Nation, there are few nations in the world where sugar can be purchased by the housewife or consumer at a lower price than obtains in the United States today.

Mr. ELLENDER. Mr. President, if the Senator will yield, I should like to say that there is no cheaper food in the United States today than sugar.

Mr. AIKEN. Sugar and milk are the two cheapest foods in the United States.

Mr. FREAR. I am seeking to be informed, and at the moment I do not see why it should not be said the agreement is a cartel; and in the United States opposition has been expressed to cartels. So I am very much interested in hearing what the Senator from Vermont has to say about the International Sugar Agreement.

Mr. AIKEN. If the International Sugar Agreement is a cartel, it is just about the queerest cartel I have ever heard of, because the customers have the right to vote on anything that is done.

Mr. FREAR. I thought I understood the Senator from Vermont to say that the reason for desiring the adoption of the International Sugar Agreement was the wish to control the world price of sugar.

Mr. AIKEN. The purpose is to stabilize the world markets, and to encourage the use of sugar throughout the free markets of the world.

Mr. FREAR. Then let me ask the Senator from Vermont the world price of sugar today.

Mr. AIKEN. I think it varies.

Mr. FREAR. Can the Senator from Vermont tell the world price of sugar either today or yesterday?

Mr. AIKEN. It is roughly 3.3 cents a pound.

Mr. FREAR. Then what is the domestic price of sugar today, let me ask the Senator from Vermont.

Mr. AIKEN. The domestic price is 6.09 cents a pound.

Mr. FREAR. Then the consumers in the United States are paying twice the world price for sugar; is that correct?

Mr. AIKEN. The Senator from Delaware must know that the transportation companies do not bring sugar into the United States from foreign countries free of charge; a transportation cost must be added to the world sugar price, and there must also be added to that price the duty of 50 cents a hundred pounds, and also the handling charges, among other things.

Mr. FREAR. Is it not true that if we increased our purchases from abroad—from outside the domestic and Territorial production sources—it is possible that the price the consumers in the United States would pay would be lower?

Mr. AIKEN. If we remove the tariff and if we permit unlimited importations from abroad and if we eliminate the subsidy which is paid for the purpose of keeping our domestic sugar industry going, we probably could buy sugar much cheaper than we do today, but we would pay an extremely high price for that cheap sugar.

Mr. FREAR. But the Senator from Vermont now is bringing into his answer more than I asked for. I merely asked whether, if we bought more sugar from areas outside the continental United States and its sugar-producing Territories the domestic price to consumers in the United States would be cheaper.

I do not wish to go into the matter of subsidies. Both the senior Senator from Delaware [Mr. WILLIAMS] and the junior Senator from Delaware have a fairly good idea about what the subsidies are under the Department of Agriculture and other executive agencies. I do not wish to bring the senior Senator from Delaware into this discussion, but I wish the Senator from Vermont to know that Delaware is interested in subsidies. However, that is not the question I asked the Senator from Vermont.

Mr. AIKEN. The answer is, yes; if we imported a larger percentage of the sugar we use, probably we would get it cheaper. But under those circumstances once the United States got into war, we would not have any sugar at all to speak of.

Mr. FREAR. Then the Senator from Vermont favors having consumers in the United States pay a higher price for their sugar Is that correct?

Mr. AIKEN. I think the Sugar Act has worked very well and has promoted a prosperous United States economy. I also believe that the International Sugar Agreement, as it has been in effect up to this time, has worked very well.

I hope that by approving the agreement now before the Senate, we may make a contribution toward improving the world market for sugar and toward stabilizing the economy of our neighbors.

Mr. FREAR. Is the price of sugar unstable today?

Mr. AIKEN. No; the price is very stable today. Under the United States Sugar Act, the price has to be.

As I have pointed out twice before in the course of this discussion, there are very few countries in the world where the consumer pays less for sugar than does the consumer in the United States. The price of sugar ranges from approximately 9 or 10 cents a pound, retail, in the United States, up to between 50 and 60 cents a pound in Russia; and in many countries of the world the price of sugar ranges from 50 to 35 cents a pound.

Mr. DIRKSEN rose.

The PRESIDING OFFICER. For what purpose does the Senator from Illinois rise?

Mr. AIKEN. Mr. President, I have been yielding to the Senator. from Delaware, and I do not believe he has concluded his questions.

Mr. DIRKSEN. Mr. President, I wish to ask the Senator from Vermont whether he will defer for a few minutes, so that I may make a statement. I make this request because of a very pressing committee session which is in progress at the present time.

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Illinois?

Mr. AIKEN. Very well; if the Senator from Delaware will defer his questions, of course we want the Senator from Illinois to get the important seat in the caucus room which I assume he is anxious to reach as soon as possible.

Therefore, I now yield to the Senator from Illinois.

Mr. DIRKSEN. Mr. President, I was in the other branch of Congress when Congress passed the Jones-Costigan Sugar Act, in 1937, I believe. At that time, of course, we divided the American sugar bowl. The Secretary of Commerce estimates about what the annual consumption of sugar will be, and then allocations are made to the Virgin Islands, Haiti, the Philippines, Cuba, and also to the domestic cane-sugar and beet-sugar producers. So, as far back as 1937 we divided our own sugar bowl.

What is proposed now, of course, is, in a sense, I believe, to divide the world sugar bowl, because here is the machinery by which it will be done.

The general purposes of the agreement are to see that supplies are made available to importing countries that either grow no sugar or else produce an inadequate supply; second, to provide stable markets to countries that have sugar for export purposes; and then to stabilize prices, to increase consumption, and to maintain purchasing power and fair-labor standards. Those purposes are set forth in the agreement, and they are very interesting to me.

Here is how it is to be done: First of all, an International Sugar Council is proposed to be set up. The 16 importing countries will have 1,000 votes, and the 22 exporting countries will have 1,000 votes. So, depending on what the vote is on the part of the importers and exporters, there will finally be determined, within limits, the policy that will be pursued on the international level by the International Sugar Council which is created under the terms of the agreement.

In order to carry out that purpose in regard to supplies and prices, basic export tonnages are to be fixed. If we examine article 14 of the agreement, we find stated there the basic export tonnages for the free market in the case of Belgium, Brazil, Czechoslovakia, Cuba, and other countries. We should emphasize the fact that here we are speaking

about the international sugar bowl, exclusive of the United States of America.

Mr. President, I wish to be entirely fair in the matter; but the basic tonnage quotas are set up, and I think this provision is the basis of the anxiety which has been expressed by the junior Senator from Delaware [Mr. FREAR], when he has spoken of the possibility of the creation of a cartel.

Those quotas can be adjusted; and, in fact, mandatory adjustments can be made under articles 21 and 22 of the agreement. Along with that, of course, the exporters must give priority to the importers, namely, the importers under this agreement. So it becomes a rather tight little family, no matter what the argument on the other side may be. So much for supply.

Second, of course there will be price stabilization between 3.25 cents a pound and 4.35 cents a pound, as stated in article 21 of the agreement. One of the things that I think has distressed some of the consumers, including industrial consumers, of sugar in the United States is the fact that, as I read the article, the limits may be altered by a special vote of the Council. So, actually, an alteration in the price of sugar can be obtained; and it is not necessary to have the matter submitted again to the ratifying countries. That is one reason why I offered a resolution. It has been modified somewhat.

At this point I wish to say that I have no objection to, and I will submit, substitute language in the form of a resolution which I think will meet with the approval of the Senator from Vermont. I have no pride of authorship, particularly, in the language used; but I believe that whenever we are going substantially to modify an agreement of this kind, certainly there should be an understanding as to whether the modification should be submitted to the ratifying authority, if a matter of real substance is involved.

So, Mr. President, at this point perhaps I ought to substitute a reservation in lieu of the reservation which was printed under the rule and is now on the desk.

When we talk about cartelization we must remember that the member importers must favor the member exporters by limiting imports from nonparticipants to an amount not to exceed imports during any 1 of 3 years prior to the agreement, which would be 1951, 1952, and 1953, as I recall.

At that point we are beginning to set a hard-and-fast limit. One of the attributes of a cartel is that when some kind of limitation is placed in effect, the question of regulation arises. While this may be a queer kind of cartel, as my distinguished friend from Vermont [Mr. AIKEN] characterized it a moment ago, it does have at least one of the attributes of a cartel.

There is another factor relating to the regulation of production. Under article 13 the participating members in the sugar agreement undertake to regulate production so that it will not exceed their domestic needs plus their permitted exports, plus maximum stocks, which are fixed at a percentage of production. So we get into the field of regulated—we might use the term "controlled"—production, because we agree, in a residual clause in this agreement, to accept the decrees and orders of the International Sugar Council as binding agreements so far as our own country is concerned.

One further point on which I wish to comment is the matter of the maintenance of fair labor standards, as set forth in article 6. The question which arises in my mind is, Who fixes the standards? What agency in the international scene is to fix it finally?

Mr. LONG. Mr. President, will the Senator yield?

Mr. DIRKSEN. I hope my friend will allow me to continue for a moment.

Will the standard be fixed by UNESCO? Will it be fixed by the International Labor Organization? If we were to fix the standard here, it would embrace wages, length of hours, and child labor, because we included such provisions in the Jones-Costigan Act in the first instance, as Senators will remember. I remember certain cases which arose in connection therewith.

When we give authority to fix fair labor standards, how far does it go? Does it ramify into other fields, and does it become a pattern for the rest of industry, business, and agriculture in this country? I allude to the question simply to show that it is present.

Mr. LONG. Mr. President, will the Senator yield for a question on that point?

Mr. DIRKSEN. I yield, provided the question is brief.

Mr. LONG. I wonder if the Senator knows that the wage standard in Cuba for workers producing sugar is approximately 5 cents an hour. If that be the case, would not the Senator agree that perhaps there is some need to raise labor standards among workers who receive 5 cents an hour?

Mr. DIRKSEN. I do not quarrel with that view. All I say is that under this agreement we are delegating a certain authority which may come back to roost on our own threshold. I think of it constantly in terms of its impact upon the domestic law, the domestic economy, and the domestic undertakings of this country. I say that for this reason: In article 27, paragraph (6), of this agreement, we find the following language:

> The council shall have in the territory of each participating government, and to the extent consistent with its laws, such legal capacity as may be necessary in discharging its functions under this agreement.

What is "legal capacity"? How far does it go? With what powers do we endow someone who will represent the International Sugar Council?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. AIKEN. I point out that the Council would be located in England, and not in the United States. The Council is not to be in the United States, or to operate here.

Mr. DIRKSEN. That is not what this language says. It says:

> The council shall have in the territory of each participating government—

If there are 16 importing countries and 20 exporting countries, that makes a total of 36. If I read that language correctly, the Council would have some kind of legal capacity in the territory of participating members.

Mr. AIKEN. The council would have such authority only "to the extent consistent with its laws." It must be consistent with the laws of each country.

Mr. DIRKSEN. I read that language. But we are establishing a legal officer and legal capacity for an international tribunal in every one of the participating countries. The question is, At what point do we pick up that authority and finally carry it further?

Mr. AIKEN. That authority is limited to such as is necessary to implement the Sugar Agreement. It does not imply any other authority whatsoever. I wish to make that clear.

I wish to make one further point clear. The Senator from Illinois raised a question as to the article which says:

> The participating governments declare that, in order to avoid the depression of living standards and the introduction of unfair competitive conditions in world trade, they will seek the maintenance of fair labor standards in the sugar industry.

That is article 6.

The Senator will find at the bottom of page 7 of the report this statement:

> The implementation of these articles in each case is left to the judgment of the individual government. The articles describe, in a rather general way, the objectives of the Sugar Act. The committee does not feel that the articles obligate the United States to take any action which it would not otherwise take, or to continue to take any action which it would otherwise abandon.

Mr. DIRKSEN. I quite agree. What we are doing here is dealing with the frailties of language. I never know how far it goes.

In the same connection, I suggest for the attention of Senators what appears on page 9. Article 4 deals with programs of economic adjustment; article 5 deals with promotion of increased consumption of sugar.

Article 5 reads as follows:

> 3. PROMOTION OF INCREASED CONSUMPTION OF SUGAR
>
> With the object of making sugar more freely available to consumers, each participating government agrees to take such action as it deems appropriate to reduce disproportionate burdens on sugar, including those resulting from—
>
> (i) private and public controls, including monopoly;
>
> (ii) fiscal and tax policies.

I raise this question: If we agree, as a participating country, how far will we finally be expected to go under broad language such as that?

Mr. AIKEN. The Senator will observe that it is left to each country to decide what action is deemed appropriate. The statement is:

> With the object of making sugar more freely available to consumers, each participating government agrees to take such action as it deems appropriate to reduce disproportionate burdens on sugar, including those resulting from—
>
> (i) private and public controls, including monopoly;
>
> (ii) fiscal and tax policies.

I believe there is adequate safeguard in the words "as it deems appropriate." That is the intention so far as the committee is concerned.

Mr. DIRKSEN. The reason I raise the question is this: During the debate on the Bricker resolution I made the point that the testimony indicated that after some ninety-odd conventions of one kind and another had been prepared by specialized agencies such as ILO, it was discovered that there was not the right kind of response from the countries to which they would apply. It was made abundantly clear that moral persuasion was to be exercised upon the countries which would be called upon to ratify.

When we say "the participating countries agree"—and that is pretty strong language—to minimize these disproportionate burdens, we may have one idea about it, and all the other 35 countries which may be signatory to the agreement may have another idea. Then begins the business of trying to persuade us that we ought to pursue a certain course of action, even though we may disagree.

The question is, Where do we finally wind up on that road? I raise the question because I think it is important.

Let me continue for a moment. There is another thing which disturbs me somewhat. The Iron Curtain countries also figure in this agreement—Russia, Poland, Czechoslovakia, Hungary, East Germany, Red China—I believe that is correct.

Mr. AIKEN. The Senator is correct except——

Mr. DIRKSEN. They get a basic export quota.

Mr. AIKEN. I beg the Senator's pardon. It is not Red China, but Nationalist China.

Mr. DIRKSEN. I could only make out that it meant Red China.

Mr. KNOWLAND. I believe if the Senator will examine the language he will find that it refers to the Republic of China on Formosa. It will be noted that a number of the so-called satellite nations at the time they signed the agreement, placed reservations in it to the effect that the mere fact they signed the document with the Republic of China was not to be taken as recognition of that Government. Therefore, clearly the Republic of China is intended, not Communist China.

Mr. DIRKSEN. It applies also to the Union of Soviet Socialist Republics.

Mr. AIKEN. That is correct.

Mr. DIRKSEN. The Soviet Union will get approximately 200,000 tons of sugar under the basic export quotas. It would seem to me that out of a total of 5,390,000 tons in the world export market aside from the United States, the Soviet Union would be getting 1,495,000 tons of sugar, perhaps a little less or perhaps a little more. However, I call attention to the fact that the Soviet Union is a party to the agreement.

My objection, I believe, finally goes—and in all candor I must assert it—to the fact that I was never very happy about the Jones-Costigan Sugar Act when Congress voted on it in 1937. It is possible I may have been finally induced to vote for it, but my recollection is—it is a long time ago and I must draw on my memory for it—that I voted against it.

I recall one occasion when I brought the whole thing to an end, when I was chairman of the Subcommittee on Agricultural Appropriations of the House, by striking out all the money that would have been derived from the processing tax for the payment of subsidies to the cane and beet producers of our country. I did not believe it was consonant with our free enterprise system. I did not think so at the time, and, in the interest of consistency, I must assert and reassert that position. I believe I have some rather good authorities on my side.

Among other things, the Randall Commission, in its minority report, stated:

> With respect to national commodity control schemes and international commodity agreements (involving export and import quotas, minimum prices, reserve and buffer stocks, and production controls, or similar devices), we are opposed not only to "extensive" resort to their use, as the majority recommends, but we are against their revival or continuation in any form.

There are some other statements along that line recited in the Randall Commission report.

Evidently with respect to international commodity undertakings the minority members undoubtedly made a study of those subjects, and they look at it with a rather dim and baleful eye, and I am afraid I do likewise. I do so because the ultimate question is this:

If we go this far, when do we move into another commodity field? There comes back to me the testimony which was given before the Committee on Banking and Currency. I recall that my distinguished friend, the Senator from Ohio [Mr. BRICKER] was present at the time. The committee was dealing with the International Materials Conference during the war period and immediately thereafter. Testimony was given from a very high level to the effect that in the fields of strategic and critical materials, a determination would be made as to what the world supply was and as to who owned it; what each country needed on the basis, let us say, of a base year or an average of 3 base years; then the supply would be divided.

What would ultimately happen to the economy of the country?

What intrigued me most was the solemn recital in the monograph, prepared by 3 or 4 representatives of this country on one of those special U. N. agencies, in which it was stated—and I must reconstruct the language from memory—in effect:

> If this works satisfactorily, the pattern can then be extended to other commodities in the international field.

Therefore, Mr. President, what is the residual question? How far do we go? Is this the end? I am not satisfied that it is. If these proposals work out, a few alert minds may conclude that we ought to have stability in other fields by means of cartelization and international control through an agency. Furthermore, we will not even be represented on the executive council, and we will not be on that council until next year. I believe the council consists of the representatives of 10 participating countries, into whose hands is committed a great deal of authority with respect to a commodity that is very important to the world and to our own country.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. AIKEN. The executive committee, as established by the International Sugar Council, at its December meeting, consists of the following membership: Exporting countries: Nationalist China, Cuba, the Dominican Republic, the Netherlands, and U. S. S. R.

Importing countries: West Germany, Japan, Portugal, and United Kingdom, and one place is vacant, which I understand will probably be occupied by the United States if we approve the agreement. That is the reason for leaving that place vacant.

I should also like to point out that the committee took cognizance of the Randall report, not because the Randall report is making great progress as of the present moment, but because of the quotation from the Randall report which has been read into the RECORD by the Senator from Illinois [Mr. DIRKSEN].

The Committee on Foreign Relations does not express any view on the merits of the Randall report as a general proposition. However, it is apparent from the context of the report that the statement read by the Senator from Illinois is made applicable to agreements such as that on wheat, rather than to the pending agreement on sugar. Unlike the International Wheat Agreement, the International Sugar Agreement contains no obligation on exporters to export or on importers to import. It is my understanding that the State Department already has made the statement that it will not sign the International Tin Agreement.

Therefore, it all depends: If we have the right kind of administration we will not get into trouble. If we have the wrong kind of administration we will get into trouble no matter what kind of agreement may be on the books.

Mr. DIRKSEN. Mr. President, I do not wish to detain the Senate any longer, except to say that my own disposition would be not to approve this kind of agreement, because it does have weaknesses which would be difficult to cure, and probably the agreement would have to come back if it were sought to cure them.

However, if it is the sense of the Senate that it is to be approved, then it seems to me that at least some of the curse would be taken from it by approving a reservation, which has the approval of my friend, the Senator from Vermont [Mr. AIKEN], and which would make it necessary, in the case of any substantial modification of the agreement, that it come back to the ratifying authority, because the broad authority in the somewhat ambiguous language of article 43 of the agreement might make it possible to effect substantial changes without its coming back to the Senate.

I may say it is my recollection that the old agreement was extended for a 2-year period without its coming back to the Senate. Is that correct? I am drawing on recollection. If I am not correct, I hope I will be corrected.

Mr. AIKEN. I believe it was extended in 1943 for a 2-year period, and from the time of the expiration of that extension I believe it has been extended by

protocol on a year-to-year basis. Those protocols were ratified by the Senate.

Mr. DIRKSEN. My impression is that it was extended for a 2-year period, and that it was not necessary for it to come back to the Senate. I think my distinguished friend from Vermont will admit that if we are going to make any changes which are substantial in nature, certainly they should come back to this body for further consideration and ratification.

Mr. AIKEN. I think the Senator from Illinois is quite correct in his position on that point. I am familiar with the proposed reservation which he is offering. I believe it is as adequate as any other safeguard can be. I would not wish the adoption of a reservation to this International Agreement to be construed in any way as indicating that we believe those in charge of any other international agreement should make changes in it without the consent and advice of the Senate.

Mr. DIRKSEN. That I can understand.

While the language of the substitute does not, I think, go so far as the language of the earlier reservation, I am willing to abide by it, because it puts it on a basis of understanding, and I shall go along with the language.

May I inquire, Mr. President, whether it is expected that there will be a record vote on the reservation and on the treaty?

Mr. KNOWLAND. Yes.

Mr. DIRKSEN. When is it likely to be taken?

Mr. KNOWLAND. I think that, under the circumstances, we should have a record vote on the reservation as well as on the treaty itself. There was considerable discussion in the Senate earlier this year with reference to treaty matters, and I have previously made the statement that on every treaty there will be a record vote. Under the circumstances, I believe we should have a record vote on the reservation as well.

Mr. DIRKSEN. Mr. President, I thank my distinguished friend from Vermont for yielding to me so that I may now repair to a meeting of a committee. Normally, the committee will recess or adjourn at approximately 4:30 o'clock. So that if the vote comes at about that time it comes with a minimum of inconvenience to members of the committee.

Mr. KNOWLAND. I suggest to the Senator from Illinois that it might be well to have the reservation read into the RECORD at this point to accompany his remarks.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the reservation which we have been discussing may be read into the RECORD.

Mr. KNOWLAND. I think it should be read for the information of the Senate and be in the RECORD at this point. Under the normal procedure, a reservation would be called up when consideration of the treaty reached that point. The reservation would be called up for a vote prior to the final vote on the ratification of the treaty itself.

Mr. DIRKSEN. As a matter of information, and to continue the context, would there be any objection to having the reservation included in the RECORD at this point?

Mr. KNOWLAND. No.

The PRESIDING OFFICER. Without objection, the reservation will be read for the information of the Senate.

The Chief Clerk read as follows:

It is the understanding of the Senate, which understanding inheres in its advice and consent to the ratification of the agreement, that no amendment of the agreement shall be binding upon the Government of the United States unless such amendment shall be ratified by the Government of the United States in accordance with the same constitutional processes which obtained in the ratification of the original agreement.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Vermont a question. Or is there to be a vote at this time on the reservation?

Mr. KNOWLAND. I should think we should go ahead with the debate on the agreement itself and clear up any questions which Senators may have in mind. I shall suggest the absence of a quorum prior to the vote.

Mr. AIKEN. Mr. President, before yielding to the Senator from Massachusetts, I should like to state that when I yielded to the Senator from Illinois I was engaged in a colloquy with the Senator from Delaware who had asked me if it was not a fact that the sugar situation was quite stable today, and I replied that it was. I meant that it was quite stable in the United States. So far as the rest of the world is concerned, according to my information, the sugar situation is very unstable, with prices and markets fluctuating very widely.

Secondly, I should like to emphasize that under the International Sugar Agreement, there is no limitation on the amount of sugar the United States may import from other countries.

I now yield to the Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, it is my understanding that the Sugar Act expires next year. This agreement is for 5 years. If the Sugar Act expires next year, is there not merit in considering whether the treaty should be made coextensive with the Sugar Act, so that we may have the entire proposition before us?

Mr. AIKEN. The Sugar Act will expire on December 31, 1956. That act was handled by the Finance Committee rather than by the Foreign Relations Committee. I do not think there would be anything gained by delaying action on the International Sugar Agreement. The International Sugar Agreement does not affect the amount of sugar which we import. We do not export enough to amount to anything. I cannot see how approval of the International Sugar Agreement could help but maintain a more stable economy for our Caribbean neighbors and also the Philippines in which we have been and are very much interested.

Mr. SALTONSTALL. The price of sugar to a confectioner in the United States will not be affected by this agreement to any appreciable extent, will it?

Mr. AIKEN. It should not be affected to any extent whatsoever, so far as I am able to determine. Even if it were, I am reminded of examples given on the floor yesterday when we were discussing the support price for wheat and were told we would have to reduce the price 80 cents a bushel to make a difference of a cent a loaf in the price of bread to the consumer. When we think of the price of candy and compare it to the price of sugar, we realize that many other things enter into the price of processed products besides the price of sugar.

Mr. SALTONSTALL. Mr. President, will the Senator from Vermont yield for one more question?

Mr. AIKEN. I yield.

Mr. SALTONSTALL. In determining whether to vote for or against this treaty, we must determine, on the one hand, whether we are willing to engage in some form of international price restriction, whether we call it a cartel or call it by some other name, as opposed to the obligation of the United States to try to work out a better economic balance between the great sugar-producing countries and the sugar-producing sections of the United States. Is not that about the story?

Mr. AIKEN. The Senator is correct.

Mr. SALTONSTALL. The Foreign Relations Committee unanimously felt that this agreement was wise as helping the United States to carry out its obligations to the sugar-producing States, and also to its neighbors.

Mr. AIKEN. The Senator's statement is almost correct. There was one member of the Senate Foreign Relations Committee who indicated disapproval of the agreement.

Mr. SALTONSTALL. I thank the Senator.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Delaware.

Mr. FREAR. I dislike to interrupt the Senator from Vermont during his preliminary remarks on the agreement, but so many questions have been raised that I doubt I would be able to remember them all if I did not speak about them now.

I believe the Senator from Massachusetts just said that the agreement would not materially affect the price of sugar to the confectioners of this country.

I call the attention of the Senator from Vermont to page 57 of the hearings, at which page the Senator from Georgia [Mr. GEORGE] raised some objections, which were stated in his behalf by the distinguished Senator from Montana [Mr. MANSFIELD].

I read as follows:

Thus, if the agreement is to have any effect whatever on prices, its principal objective, it must be to increase prices.

Does the Senator from Vermont concur in the statement that, since the price of sugar is now at its low point, the only effect of the International Sugar Agreement could have would be to increase prices, if it had any effect at all?

Mr. AIKEN. I would say there would be no effect whatsoever on prices in the United States. The questions which were asked at that time by the Senator from Montana for the Senator from Georgia

were questions to which the Senator from Georgia evidently had asked for answers. The answers were supplied to the Senator from Georgia, who is a member of the subcommittee.

I might state that it was the Senator from Georgia who moved to report favorably the International Sugar Agreement to the full committee, although at first he had propounded these questions which he desired to have answered before giving his approval.

Mr. FREAR. I thank the Senator for that information. I have great respect for the Senator from Georgia.

Reference has been made also to the Committee on Finance. I have great respect for the chairman of that committee, the distinguished Senator from Colorado [Mr. MILLIKIN], whose State, I know, produces a large amount of sugar beets, and whose sugar-beet growers probably are interested in the agreement. On the other hand, I wish to repeat my question to the Senator from Vermont: Is not the only major objective of the agreement to raise prices?

Mr. AIKEN. The general objectives of the International Sugar Agreement, since the Senator from Delaware has raised the point, should be placed in the RECORD. They are as follows:

ARTICLE 1

The objectives of this agreement are to assure supplies of sugar to importing countries and markets for sugar to exporting countries at equitable and stable prices; to increase the consumption of sugar throughout the world; and to maintain the purchasing power in world markets of countries or areas whose economies are largely dependent upon the production or export of sugar by providing adequate returns to producers and making it possible to maintain fair standards of labor conditions and wages.

Mr. FREAR. Following the statement of the objectives, I cannot refrain from asking the Senator from Vermont certain questions, if I may.

Mr. AIKEN. I shall be happy to try to answer them.

Mr. FREAR. I should like to refer to the matter of votes on the part of the importing and the exporting countries. I believe this subject is covered in articles 33 and 34. I should like to compare article 34 with article 14.

I observe that under the agreement, if it is continued, Cuba will be allowed exports of 2,250,000 tons of sugar per annum. The Soviet Union would have a quota of 200,000 tons of sugar annually.

But with respect to the number of votes to be exercised by the delegates from those countries, Cuba would have 245 votes out of 1,000, while the Soviet Union would have 100 out of 1,000. In other words, the proportion of export tonnage would not be in proportion to the number of votes, by a long way, because Cuba, in one instance, has votes in a ratio of about 11 to 1, whereas the Soviet Union has votes in a ratio of almost 2 to 1.

Mr. AIKEN. The Senator from Delaware is correct. That is because no country is permitted to have more than 245 of the total of 1,000 votes on the part of either the exporters or the importers. It was deemed unwise to permit any single country to have so many votes that it simply could dominate the situation.

Mr. FREAR. But the United States, being the largest importer, and either the second largest, if not the largest, producer of sugar, still has only 245 votes on the importing side. Is that correct?

Mr. AIKEN. That is correct. But the United States does not have any quota under the international sugar agreement.

Mr. FREAR. That is because it is an importing country.

Mr. AIKEN. That is correct. The United States and the United Kingdom together have 49 percent of the total number of votes of the importing countries. It was deemed to be unwise, and it was felt that probably it would not be, in effect, an international marketing agreement, for any country to have more than 25 percent of the votes. I think that that would probably be true of a corporation, too, would it not?

Mr. FREAR. Yes, I think that is good logic. I think that is one of the most logical comments I have heard or read about the agreement so far.

I do not wish to monopolize the Senator's time, but may I ask what, in the Senator's opinion, would happen if the Senate failed to ratify the agreement?

Mr. AIKEN. I should expect that there would be a further sharp drop in the present world market price of sugar, of 3⅓ cents a pound. I do not know, I am not an international expert or a sugar expert. But it seems logical that when efforts are being made to maintain a price of at least 3¼ cents a pound, if those efforts should collapse, and we consider the 2 million tons of sugar which Cuba removed from the market last year in an effort to stabilize her own economy, the pressure of that tremendous supply would depress the market still further, until economic conditions likely would suffer in the Caribbean countries.

Mr. FREAR. But since Cuba is one of the largest exporters of sugar, if we wanted to raise our output for domestic consumption, we could thereby take 96 percent of any of that increase from Cuba, which is mandatory, and I believe is exercised under the act, and not under the agreement.

Mr. AIKEN. I think the answer to that is that the Secretary of Agriculture has already increased import quotas by 200,000 additional tons of sugar; and since that has been noticed by the producers of beet and cane sugar in the United States, they hope to divert some of their acreage from the production of other crops to the production of sugar.

Mr. FREAR. Whom are we to protect? The producers in the United States or in Cuba, or the producers in both countries?

Mr. AIKEN. I think we shall have to use our heads, and to realize that we must maintain a stable agricultural economy in the United States, including the economy of the sugar producers. At the same time, we must realize that Cuba, a smaller nation, right at our front door, must look to the United States for some support and encouragement in maintaining her own form of government and her own economy.

Mr. FREAR. With that statement I agree. I do not think the sugar agreement had much effect upon the political situation in Cuba some months ago, when the uprising occurred and the Government took over.

Mr. AIKEN. I may say that the sugar agreement was not in effect some months ago, at the time to which the Senator from Delaware has referred. Possibly it should have been.

Mr. FREAR. Did not the Senate ratify a sugar agreement, or extend one, 3 years ago?

Mr. AIKEN. That was the old agreement which was inoperative. A new agreement was formulated in London, in July 1953. As I recall, it was formulated primarily at the instigation of Cuba.

Mr. FREAR. Did we not have an agreement previous to that?

Mr. AIKEN. Yes, we had an agreement previous to that; but it was inoperative at the particular time to which the Senator refers.

Mr. FREAR. Is this agreement the continuation of another agreement, in modified form, or does this agreement have nothing to do with any previous agreement?

Mr. AIKEN. This is a new agreement, but a similar agreement has previously been in effect.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Louisiana.

Mr. ELLENDER. Is it not a fact that the first agreement, the so-called old agreement, was entered into in 1937 and was maintained for 5 years, then renewed for 2 years, and then World War II came on, and it was suspended, and this is really a brand new agreement?

Mr. AIKEN. It could be considered a brand new agreement, although it is similar in most respects to the old agreement.

Mr. ELLENDER. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. ELLENDER. Judging from the questions asked by the distinguished Senator from Delaware, it would seem to me he is rather anxious about the additional prices which consumers would pay in this country if the agreement should be ratified. Is it not true, and I desire to emphasize this, that, irrespective of whether or not the agreement is ratified, it will not in any manner affect our present sugar act nor the prices of sugar in the domestic market?

Mr. AIKEN. Absolutely not.

Mr. ELLENDER. The sugar act which is now on the statute books is an instrumentality by which and through which we hope to stabilize our own sugar production.

Mr. FREAR. Then I should like to ask the Senator why we are so anxious to adopt the agreement.

Mr. ELLENDER. The Senator from Vermont has correctly stated it in the second paragraph of the report, which sets forth that—

The main purpose of the agreement is to stabilize the world free market in sugar and to increase consumption.

I would state it in another way: To do worldwide what we have been trying to do domestically. Mr. President,

may I further state that should this agreement result in stabilizing the economy of the sugar-producing countries in the Caribbean area we will greatly benefit thereby. We will get some of the credit for accomplishing such a feat. The purchasing power of those countries will be materially increased and we are bound to benefit thereby.

Mr. FREAR. The Senator has referred to page 7 of the hearings. If he will turn to page 13, he will find that Cuba is by far the largest exporter of sugar. I believe it was admitted by the Senator from Vermont that we could stabilize the economy in Cuba by putting into effect our own regulations through the State Department.

Mr. AIKEN. We could stabilize the economy of Cuba and probably improve the economy of Cuba by buying all of our sugar from Cuba, but in doing so we would most certainly unstabilize our own economy.

Mr. ELLENDER. Under the Sugar Act now in effect, Cuba is permitted to export to the United States a certain amount of the sugar consumed by this country.

Mr. FREAR. Ninety-six percent of our sugar imports come from Cuba, as I understand.

Mr. AIKEN. Yes; other than those from the Philippines.

Mr. FREAR. That does not include the sugar produced in American Territories or possessions.

Mr. ELLENDER. That amounts to about 47 or 48 percent of the total normal production.

Mr. FREAR. The exports of the Philippines as compared to those of Cuba are rather negligible, amounting to only 25,000 tons, while those of Cuba amount to 2,250,000 tons.

Mr. AIKEN. That is the Philippines basic export tonnage to the free market under the International Sugar Agreement. The Philippines export quota to the United States, under the Sugar Act, is 952,000 tons. However, the Philippines do not utilize the full quota of sugar which they might export to the United States. It is my understanding that since the Philippines have raised the standard of living of their own inhabitants, they consume more of the sugar which they produce, and therefore have not exported to the United States their full quota of sugar.

Mr. FREAR. I believe the Senator from Vermont made a statement this afternoon that the consumers in this country were buying sugar at a lower price than were consumers in any other country of the world. Am I correct?

Mr. AIKEN. No; I said consumers in this country were paying lower prices for sugar than were consumers in most other countries in the world.

Mr. FREAR. Did the Senator from Vermont state the price of sugar in Russia?

Mr. AIKEN. The price of sugar in Russia is 56 cents a pound. The lowest price paid for sugar is in Denmark—about 5 cents a pound.

Mr. FREAR. I notice that under article 14, which appears on page 13 of the hearings, Soviet Russia is listed as an exporter of sugar, and under the proposed agreement would be allocated a quota of 200,000 tons. I can hardly understand why Russia is given an allocation, under the proposed agreement, to export 200,000 tons of sugar while it charges domestic consumers 40 or 50 cents a pound for sugar, when it is stated that the objective of the agreement is to stabilize the economy of the nations affixing their signatures to the agreement.

Mr. AIKEN. I think it is common knowledge that in order to maintain trade with other nations and to secure other items which it seems to think are more needed, the Soviet Union frequently exports commodities which are badly needed by its own inhabitants.

Mr. FREAR. Does the Senator think that practice fits in with article 1 of the agreement?

Mr. AIKEN. It does not fit in with the agreement too closely. I do not undertake to explain why the Russians act as they do. I certainly would not want to live in a country where sugar costs 56 cents a pound. Even though sugar is sold at that price to its own citizens, Russia exports sugar to some other countries in order to buy from them other articles or commodities.

Mr. FREAR. But if the United States signs the agreement and becomes a party to it, as one of the countries participating in the agreement, it will become one of our objectives to maintain economic stability in the other countries which are parties to the agreement, which include Russia.

Mr. AIKEN. Absolutely. I should like to ask the Senator from Delaware if he thinks the actions of Russia fit in with the announced objectives of the United Nations. Yet both Russia and the United States are members of the United Nations.

Mr. FREAR. So far as the junior Senator from Delaware is concerned, the fact that we are both members of the United Nations is no reason why the United States should enter into another agreement such as the proposed sugar agreement.

Mr. AIKEN. I do not see why we should keep out of international agreements simply because Russia may be a party to them.

Mr. LONG. Mr. President, will the Senator yield?

Mr. AIKEN. The Senator from Illinois [Mr. DOUGLAS] was on his feet first. Does the Senator from Louisiana have a short question? If he has, I yield to him.

Mr. LONG. I was merely going to state that there is nothing particularly new about having agreements with Russia. As I understand, the administration at the present time is trying to enter into an agreement with Russia with reference to the peacetime uses of atomic energy, which is more important than an international agreement on sugar.

Mr. DOUGLAS. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. DOUGLAS. I should like to ask the Senator from Vermont if the International Sugar Agreement and the United States Sugar Act are not complementary to each other, that is, if the two operate together, not legally, but economically.

Mr. AIKEN. No, I would not think so. If there were no International Sugar Agreement, I would expect the United States Sugar Act to be continued as is, or very nearly as is.

Mr. DOUGLAS. Does not the International Sugar Agreement restrict the total exports of sugar from Cuba to two and a quarter million tons?

Mr. AIKEN. Not to the United States.

Mr. DOUGLAS. No, but to the world market; and if there were not this agreement, would not the total exports of Cuba be greater, and would not the proportion of Cuban sugar in the domestic market be greater?

Mr. AIKEN. I do not think that would necessarily follow. The amount proposed to be allotted to Cuba is her fair share of the free world sugar market.

Mr. DOUGLAS. Of which the United States is the largest individual consumer of sugar; is it not?

Mr. AIKEN. The United States is not a part of the free world market, as defined in the agreement. The United States does not import the two and a quarter million tons to which the Senator from Illinois has referred.

Mr. DOUGLAS. The United States does not import all of it?

Mr. AIKEN. No. The purchases of the United States from Cuba are entirely separate from the amount set out in the quota in the proposed agreement.

Mr. DOUGLAS. How is that regulated?

Mr. AIKEN. It is entirely separate.

Mr. DOUGLAS. By what act are our imports of Cuban sugar regulated?

Mr. AIKEN. By the United States Sugar Act.

Mr. DOUGLAS. Is that also true of our imports of sugar from the Dominican Republic?

Mr. AIKEN. Yes.

Mr. DOUGLAS. This international agreement then refers simply to the world market outside the United States?

Mr. AIKEN. The free world market outside the United States; yes.

Mr. DOUGLAS. Then why are we a signatory? If none of the sugar provided for in this agreement enters the United States, why should the United States be concerned with it?

Mr. AIKEN. Because our smaller Caribbean neighbors very much desire to have us participate with them in the agreement. Our participation in the agreement will go very far toward making the International Sugar Agreement a success.

I wish to make clear again that we do not absolutely guarantee that the approval of this agreement will maintain the economy of other countries.

Mr. DOUGLAS. I appreciate the complexities of the situation, but I am a little mystified as to why we are being asked to ratify an agreement, if we obtain no sugar from the other countries that are signatories to the agreement.

Mr. AIKEN. That question has frequently been asked. I will say that our participation is desired simply in an effort to make the International Sugar

Agreement work. If we participate in it, I understand the cost to the United States will be roughly $14,000 a year for our membership.

Mr. DOUGLAS. Certainly there must be some relationship between the amount of sugar Cuba is permitted to export to the world, not including the United States, and the amount of sugar Cuba is permitted, under a separate agreement, to export to the United States.

Mr. AIKEN. No; there is no legal relationship there.

Mr. DOUGLAS. But there must be some actual relationship.

Mr. AIKEN. There is no relationship whatever.

I may as well say that apparently some commercial users of sugar believe that if they can break down the International Sugar Agreement, then, for some unimaginable reason, they might be able successfully to attack and destroy the United States Sugar Act. In my opinion, that is the only reason under heaven why they oppose the International Sugar Agreement at this time. To some of those persons the world does not extend very far beyond the walls of their candy kitchens. They want to be able to buy peanuts for 2 cents a pound and sugar for 2 cents a pound, and they want high tariff protection for their products, and they want the United States consumers to pay $1.50 a pound for their products. That comment applies to some of them, for some of them have practically said so. I do not say that comment applies to all of them.

Mr. BARRETT. Mr. President, will the Senator from Vermont yield to me at this point?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from Vermont yield to the Senator from Wyoming?

Mr. AIKEN. I yield.

Mr. BARRETT. The Senator from Illinois will remember the economic chaos that existed in the Caribbean countries, and especially in Cuba, in the 1930's. This agreement is chiefly concerned with preserving the economic stability of those sugar-exporting countries.

I would say that this agreement is only indirectly connected with our own Sugar Act. Of course we want to maintain our own domestic industry, and at the same time we hope the other producing countries are able to maintain themselves on a rather stable basis, so they will be able to continue their own sugar economy on a stable basis, and, as a consequence, so we will be able to maintain a world stability in sugar and keep our domestic sugar beet and sugarcane industry on a sound basis.

Mr. DOUGLAS. Mr. President, I wish to thank the Senator from Wyoming for his very frank statement that, indirectly, our own Sugar Act is connected with the International Sugar Agreement. If we take into consideration the Cuban quota, it is obvious that it is connected with this situation, and that in the world market if sugar is allowed to move freely, it will be able to enter the United States and will be able to compete with the production of beet sugar in Colorado and Wyoming and the production of cane sugar in Louisiana. Certainly the higher price which will result from this and from Allied agreements will be hard on the domestic consumers of sugar.

Mr. AIKEN. Mr. President, I hate to think that in taking his position on this matter, the Senator from Illinois is trying to make peace with the candy makers for his vote, on yesterday, to put the price of peanuts so high that it will be virtually out of sight.

Mr. DOUGLAS. Mr. President, may I point out that it is certainly legitimate to take an interest in the price of sugar. The consumer is worthy of consideration and no apology is necessary on my part for considering him.

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Illinois?

Mr. AIKEN. Mr. President, at this time I wish to yield to the Senator from Ohio [Mr. BRICKER], who has been waiting patiently.

Mr. BRICKER. Mr. President, I wish to ask several questions. I am not so much interested in understanding why we should not sign the agreement as I am interested in understanding why we should ratify it.

I believe the Senator from Vermont said, a moment ago, that the International Sugar Agreement will have no effect upon our domestic market, insofar as supply is concerned.

Mr. AIKEN. It will have no effect, insofar as the experts in the Department of Agriculture can see.

Mr. BRICKER. I further understand that so long as we have our own Sugar Act, there will be no particular effect on the price of sugar in the United States, if we enter into the International Sugar Agreement.

Mr. AIKEN. Not so far as we can see.

Mr. BRICKER. Mr. President, of course a treaty becomes the supreme law of the land, as all Senators well understand. I wish to ask several questions about chapter III, article 4. Paragraph 2 of that article reads as follows:

ARTICLE 4

2. PROGRAMS OF ECONOMIC ADJUSTMENT

Each participating government agrees to adopt such measures as it believes will be adequate to fulfill its obligations under this agreement with a view to the achievement of the general objectives set forth in article 1 and as will insure as much progress as practicable within the duration of this agreement toward the solution of the commodity problem involved.

What are the obligations of the United States, if this article will have any effect in our country, either pricewise or commoditywise? What obligations could we be under, as a result of signing this treaty?

Mr. AIKEN. We have no obligations under this article.

Mr. BRICKER. Now let us consider article 5, paragraph 3, which reads as follows:

ARTICLE 5

3. PROMOTION OF INCREASED CONSUMPTION OF SUGAR

With the object of making sugar more freely available to consumers, each participating government agrees to take such action as it deems appropriate to reduce disproportionate burdens on sugar, including those resulting from—

(i) private and public controls, including monopoly;

(ii) fiscal and tax policies.

I am interested in knowing what fiscal and tax policies the Council might determine, that would obligate this Government to take any action of any kind or character.

Mr. AIKEN. It is not the Council that will take that action; it will be taken by each participating government.

Mr. BRICKER. I know; but the Council has the power to make recommendations.

Mr. AIKEN. I think that refers possibly to the practice of a good many countries of materially assisting in financing their governments by means of the taxation of sugar. As the Senator from Ohio knows, some governments almost completely finance themselves through taxes on sugar, tobacco, and liquor. Sugar is taxed there as a luxury.

I suppose the purpose of this article is to suggest or to propose to those countries that they stop regarding sugar as a luxury and stop taxing it accordingly, and lower the price to a point where the people of those countries will be able to buy sugar.

Mr. BRICKER. We have a duty or a tariff on sugar imported into the United States, do we not?

Mr. AIKEN. Yes.

Mr. BRICKER. Suppose the Council were to take the position that our tariff on sugar was inhibiting the flow of sugar or was making it less freely available to consumers in the participating countries, and suppose the Council were to ask the United States to remove its tariff on sugar. What would be our obligation then—remembering that no other signatory country, other than France and Holland, has, under this part of the agreement, an obligation such as the one we have under it, in that in the United States a treaty is the supreme law of the land and binds us morally to carry out the terms and the commitments under treaties.

If the Council were to say that the United States tariff on sugar was too high, what would be the obligation of the United States?

Mr. AIKEN. In my opinion, there would be no obligation on the part of the United States and there would be no obligation on the part of any other country to take action other than that which it deemed appropriate.

In establishing the United States Sugar Act, the United States has indicated what it deems appropriate, insofar as sugar sales, prices, and use in the United States are concerned.

Mr. BRICKER. Is there any provision in this agreement or treaty which is inconsistent with the National Sugar Act?

Mr. AIKEN. No.

Mr. BRICKER. In no way?

Mr. AIKEN. I think I can answer categorically "No."

Mr. BRICKER. Neither pricewise, nor with respect to the amount of the commodity available?

Mr. AIKEN. That is correct.

Mr. BRICKER. Then the Senator is convinced that we would have no obligation under this treaty so far as fair labor standards in the sugar industry in this country are concerned.

Mr. AIKEN. I am so convinced.

Mr. BRICKER. Then what is the reason for signing it? What do we get out of it?

Mr. AIKEN. I take the reference to fair-labor standards to mean the maintenance of purchasing power in some of the small nations which depend so largely upon sugar as a source of income. We hope that this agreement will result in the maintenance of a fairly stable price for sugar. The question has been asked, "How can the price go other than up?" When the price is on the floor, it cannot go anywhere but up. We have enacted many laws in this country for the purpose of raising prices to a level which would mean that the people engaged in a particular industry or in the production of a particular crop could continue to live and eat and wear clothes and go to school.

Mr. BRICKER. The Senator stated a moment ago, in reply to a question of mine, that this agreement would in no way, pricewise, affect the people of this country.

Mr. AIKEN. That is correct.

Mr. BRICKER. How can our agreeing to this treaty, then, affect the price in any other country, if it would have no effect in our country? Our quota is fixed by law. Our price is standard in this country, and this agreement would not affect it in any way. How does our being a signatory to this treaty in any way affect prices anywhere else in the world?

Mr. AIKEN. Because the small sugar producing nations have a great deal of confidence in the United States. They apparently believe that if they have our support in their efforts to increase the international trade in sugar and to maintain fair prices, they will have a much better chance of maintaining their own economy at a better level than they would otherwise be able to achieve.

Mr. BRICKER. But our prices are not fixed in any way by this treaty.

Mr. AIKEN. They are not.

Mr. BRICKER. I think the Senator realizes, as I do, that the Russian situation, as was mentioned a moment ago by the Senator from Delaware, is characteristic of those countries which pay no attention to treaty obligations. They export what they please, and charge their own people any amount they desire. In this country we take our treaty obligations seriously, and we do not intend to violate any of them—certainly not with my vote. But I wish to know what obligations we assume, and what benefits the American people get from the treaty. In simple terms, why should we sign it?

Mr. AIKEN. That is what we are trying to make plain this afternoon.

Mr. BRICKER. I have not yet found out.

Mr. AIKEN. In the report on page 5 the following statement appears:

1. BENEFITS ACCRUING TO THE UNITED STATES

The benefits accruing to the United States from participation in the agreement seem to the committee to be three:

1. By contributing to stability in the world sugar market, the agreement can make an important contribution to economic progress and political stability in countries which are largely dependent on sugar, and especially in the Caribbean, an area of very great importance to the United States. The committee particularly emphasizes the importance of sugar to the economy of Cuba, which is by far the world's largest sugar exporter. A collapse of the world sugar market would have far-reaching repercussions, political as well as economic in Cuba. Sugar is of only slightly less importance to the Dominican Republic, to Haiti, and to the Philippines.

Mr. BRICKER. Mr. President, will the Senator yield for a question on that point?

Mr. AIKEN. There are two other benefits mentioned.

Mr. BRICKER. I merely wish to clear this point up while we are on it. I do not see how that conclusion can be reached if we do not agree in this treaty to buy more sugar, and the agreement has no effect upon the price. It might be important in connection with the Sugar Act of our country, but certainly there would be no effect resulting from the signing of the treaty. In the judgment of the Senator, it is only a moral prop to the other countries; is that correct?

Mr. AIKEN. That is largely correct.

Mr. BRICKER. There are no economic advantages and no social advantages that I can see.

Mr. AIKEN. I do not think we shall make any extra dollars by being a participant in this agreement.

Mr. BRICKER. Nor will they.

Mr. AIKEN. I think we will give encouragement to smaller nations, and stability to their economy.

Mr. BRICKER. But it is only moral encouragement.

Mr. AIKEN. That is correct.

Mr. BRICKER. By reason of our signing the same document they sign.

Mr. AIKEN. Yes.

Mr. BRICKER. Let us go to benefit No. 2.

Mr. AIKEN. I continue to read from the language found on page 5 of the report, under the head of "Benefits to the United States":

2. Although the agreement has no direct relation to the United States sugar industry, it will tend to insure the effectiveness of the Sugar Act. That act is designed to insulate, to some extent, the domestic industry from the fluctuations of the world market, and it has been largely successful in doing so. But the act could not be expected to shield the domestic industry completely from the effects of a world-market collapse. The restrictions on domestic sugar production contained in the Sugar Act are in part a result of the world-market collapse of the 1930's, and a recurrence of such a collapse would inevitably create pressures for even greater restrictions on the American industry. The agreement is completely consistent with the domestic act, and will to some degree complement the objectives of that act.

Mr. BRICKER. If there is no price fixing in the treaty, if there is involved in the treaty no change in the imports to our country, how would our signing it help to hold up the world price?

Mr. AIKEN. Our moral support, it is hoped——

Mr. BRICKER. We come back to the same premise, then?

Mr. AIKEN. It is hoped that our moral support and our participation in this agreement will prevent a collapse of the price which Cuba receives for her sugar. It has gone down already to about 3⅓ cents a pound.

Mr. BRICKER. Assume that there should be a collapse of the world sugar market—the free market of the world, if there be such a thing left. Suppose the Council created by the agreement, of which we shall be members—although we shall not be members of the executive committee—should determine that the United States ought to take more Cuban, Puerto Rican, or Dominican sugar. Would we have incurred any obligation in any way to amend the Sugar Act of this country?

Mr. AIKEN. We would not have.

Mr. BRICKER. Then how would our signing have any effect—and I am sincere in asking the question—in preventing the collapse of the world sugar market?

Mr. AIKEN. Because it is believed that if this international agreement were supported by the United States, one of the strongest countries in the world today—we claim it to be the strongest in the world today—there would be a greater chance of achieving the objective than there otherwise would be, with the smaller producing nations, without any great economic strength, on one side, and the importing nations, which are much larger, on the other.

Mr. BRICKER. Mr. President, will the Senator further yield?

Mr. AIKEN. I yield.

Mr. BRICKER. So there would be no commitment of any kind or character if the world sugar market should collapse. What could the United States do, then, under this treaty that it could not otherwise do?

Mr. AIKEN. I do not think the United States could do anything under the international sugar agreement. If, in spite of the international sugar agreement, the Cuban economy should collapse, I think the United States would feel that it ought to take steps of some kind. I do not undertake to say what they would be.

Mr. BRICKER. The third benefit to the United States which is mentioned suggests that the United States will have a voice in the world sugar market, although we are not interested domestically in that market, pricewise or supplywise.

Then the language continues:

Although the agreement is primarily concerned with prices, it also lays the foundation for a long-term attack on the more basic problems of the sugar industry and provides an avenue of approach to the question of reducing sugar trade barriers.

Would we be under any obligation to in any way reduce our trade barriers with respect to sugar?

Mr. AIKEN. We would not be under any such obligation.

Let me read from the letter of the Acting Secretary of State, Walter Bedell Smith, transmitting the sugar agreement to the Congress. The letter is found on page 7 of the document containing the message from the President of the United States, and it reads as follows:

While the agreement concerns itself primarily with the mechanics of dealing with sugar surplus and shortage problems and efforts to stabilize sugar prices, it also provides the groundwork for a constructive long-term attack on the more basic aspects of the world sugar problem. It was recognized and maintained by the United States Government throughout the negotiations that a general reduction in world trade barriers on sugar was desirable to increase consumption in those areas where per capita consumption is low.

It is not low in the United States.

The limitation of subsidized and protected production appeared to be the most effective long-term measure for dealing with the world sugar surplus problem. Although it was not possible to incorporate provisions leading to the immediate attainment of these goals in the agreement, provision is made for the Council to collect and disseminate information and to constitute a focal point for dealing with these problems in the future.

For the foregoing reasons, and in view of the fact that the agreement affords a practical means for cooperative action in seeking a solution for sugar surplus problems and maintaining a sound world sugar economy, the interested agencies of the executive branch favor submission of the agreement to the Senate, and it is hoped that the agreement may receive early and favorable consideration.

Mr. BRICKER. I certainly agree with any cooperative move we can make which will help build up the standard of living and the consumption capacities of the people of the world. However, I should also like to think that if we join with other nations and submit ourselves to some extent to their dictation and guidance, we should get something out of such an agreement, and that some benefit should return to our people. I have not been able to find any such benefit in the proposed agreement except the moral support, as the chairman has frankly stated, which goes to the other governments.

Mr. AIKEN. I believe that stable Cuban and Dominican Republic economies are definitely to the benefit of the United States.

Mr. BRICKER. There is no doubt about that. We want the supply to continue, and we do not want those countries to become poverty stricken, because such an eventuality would affect us indirectly. However, if we do not import any more sugar and the price is not changed, I do not see how it will help them or give us the power to help them.

Mr. AIKEN. As I said before, our moral support means something in the world.

Mr. BRICKER. If it is put on that basis, I can understand it. I thank the Senator.

DIVERSION OF ATTENTION OF THE GOVERNMENT AND THE PEOPLE OF THE UNITED STATES FROM THE GREAT ISSUES CONFRONTING THE WORLD TODAY

Mr. LEHMAN. Mr. President, one of the worst of the many dangerous effects of McCarthyism is that it has diverted the attention of the Government and the people of the country generally from the great issues that confront the world today. No longer are the thoughts of the Government and the people directed primarily to the threats that loom large in Indochina, in Korea, in the Pacific area, in Europe, in the Middle East, and in Africa. These problems, and others which our Government must resolve at Geneva, have been pushed into the background by the concern that has been aroused by the incredible antics of the junior Senator from Wisconsin.

The free world looks to this country for leadership in its deep-rooted quest and hope for world security and world peace. But in this crisis, it is not finding from us either solace or encouragement. It finds that the energy and imagination of the Government and the people of this country, instead of being directed to the great external problems which create almost constant crises, are being largely diverted to the issues raised by the junior Senator from Wisconsin. The situation today, and its almost supine acceptance by the administration, reflects the extent to which executive authority and responsibility are now being controlled and subverted by the impact of unjustified congressional interference and encroachment.

Mr. President, this unhappy situation has in part been set forth in a most interesting article by the distinguished columnist, James Reston, of the New York Times, which appeared in that paper this morning. I ask unanimous consent to have this article inserted in the body of the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE NEW LOOK CRISIS—HITHERTO, UNITED STATES WAS FOCUS IN RED MOVES—NOW WASHINGTON WAITS ON MCCARTHY

(By James Reston)

WASHINGTON, April 27.—The Indochina crisis is not the first and it won't be the last of the "cold war," but Washington has never gone through one under more peculiar circumstances.

When the Communists threatened Iran in 1946, Greece and Turkey in 1947, Berlin in 1948, and launched the Korean war in 1950, the attention of the world was focused on Washington and the attention of Washington was concentrated on the point of crisis.

Today the situation is quite different. The free world, as usual, is looking to Washington for an answer to Indochina, but Washington is looking at JOE MCCARTHY.

This fascination with the political hive of Washington is in keeping with a trend that has been growing here for a long time.

Ever since the end of the Korean war, the problem of internal Communist subversion has tended to overwhelm the historic drive of the Communists for the conquest of all of Continental Asia. Senator MCCARTHY's tactics have loomed larger here than the diversion by Vyacheslav M. Molotov, Soviet Foreign Minister, of the energy and imagination of the Government from the external to the internal menace. The result of this was strikingly apparent in the Capital today.

CENTERED ON HEARING

There were so many staff officers invading the press room at the Pentagon today to watch the television duel between the Secretary of the Army, Robert T. Stevens, and Senator MCCARTHY, that the reporters had to take measures in self defense. For this purpose, they posted a Pentagon sign that usually is intended to protect the military officers from the press rather than the press from the officers: Authorized Personnel Only.

It was the same all over the city. The Secretary of State is running foreign policy from Geneva, so the State Department gathered around the magic lanterns to watch the big show. After all, there is a feeling there that, somehow, the fate of the State Department is more involved in what happens to Mr. MCCARTHY on Capitol Hill than what happens to Mr. Dulles at Geneva.

The Senator from Wisconsin has not hesitated to use the international crisis as an argument in his own crisis. In view of the serious domestic and international problems facing the Government, he has contended that the current hearings into the matter of a single Army private (G. David Schine) are a waste of time.

On this kind of reasoning, the RFC hearings during the Truman administration involved nothing more than 1 White House secretary and 1 mink coat. And if this is to be the basis of judgment, the Senator's campaign in the case of Maj. Irving Peress involved, not the subversion of a whole Army camp, but merely the actions of a single obscure dentist.

The issues in the Army-MCCARTHY hearings, however, involve more than the fate of a single Army private. They concern the integrity of public officials and the reputation of the Government itself, both important in a democracy. This is why Washington is so fascinated by the hearings, but whether they are as important as the developing crisis in Asia is another matter.

From all over the world today came urgent messages to Washington embassies, asking questions about United States policy in Indochina. What was Washington doing? Would it intervene to back up President Eisenhower's statement about the transcendent importance of Indochina? Was there still support here for Vice President RICHARD M. NIXON'S indication that the United States would use its troops in Indochina, if necessary, to block the Communist conquest of southeast Asia?

WHAT THE EMBASSIES THINK

The answer of well-informed diplomats here to these questions was about as follows:

Washington is divided about what to do. It is opposed to the partition of Indochina. It is opposed to a coalition government which would include the Communists in Indochina. It is opposed to the Communist conquest of Indochina, but it is divided about what sacrifices it is prepared to make in order to block that conquest.

The United States Government hoped that if it threatened intervention the threat alone would be sufficient to make the Communists draw back, but the threat of intervention produced so much opposition on Capitol Hill and in Britain that the threat lost much of its effectiveness.

Finally, the United States Government is so preoccupied with its internal political problems and taking such a tough propaganda line against the Communists that it cannot agree at Geneva to any of the concessions the French might be willing to make in Indochina to get a truce.

In short, the embassies reported, Washington, having tried a bluff that did not succeed, is now wavering. And meanwhile it is watching a climax in the drama of Senator JOSEPH MCCARTHY.

THE RANK OF GEN. GEORGE WASHINGTON—TWO HUNDREDTH ANNIVERSARY OF THE BATTLE OF FORT NECESSITY

Mr. MARTIN. Mr. President, I have the honor to introduce, for appropriate reference, a bill providing for the final establishment of the rank of George Washington, first President of the United States of America, and first Commanding General of the Army of the United Colonies, which fought the War of the Revolution for the freedom and independence of these United States.

Mr. President, I also have the honor, with my colleague from Pennsylvania [Mr. DUFF], to introduce a Senate joint resolution to provide for the participation of the United States Government in the bicentennial celebration of the Battle of Fort Necessity, in which the United Colonial forces were led by George Washington.

The bill, which I am introducing, authorizes the President to issue posthumously in the name of George Washington a commission as General of the Armies.

The date on which Washington was elected by the Second Continental Congress, assembled in the State House—Independence Hall—Philadelphia, to be General and Commander-in-Chief of the Army of the United Colonies was June 15, 1775.

I would like to call attention to the fact that there is presently a bill, H. R. 6904, in the House of Representatives, introduced by Mr. MCCORMACK, to authorize the President to issue a commission to George Washington as "General of the Army."

Representative MCCORMACK has performed a service to his country in the introduction of this bill, but, in my judgment, it is not enough.

There can certainly be no doubt in the mind of any dedicated American that George Washington, known to everyone of us from our school days as the Father of his Country, does hold, and should be officially recognized as holding, the highest and foremost rank which can be bestowed upon him as a commanding general.

He was first in war, first in peace, and first in the hearts of his countrymen, and he should also be first on the rolls of the United States Armed Forces—first by legislative and executive action.

As we all realize, there were few, if any of us, who were aware of the fact that such was not the case until quite recently when the subject became a matter of public record by the listing, for historical purposes, of the authorized rank and title of the officers of the United States Army above the rank of major general.

A casual examination and interpretation of the record seemed to indicate that General Washington's name was 46th down on the list; first among the lieutenant generals, but definitely outranked by the others who were generals, generals of the Army, and a General of the Armies.

The record on this should be made clear and, certainly, as promptly as possible.

By all means, this proper rank should be bestowed on or before July 3, 1954, at which time our Nation will celebrate the bicentennial anniversary of the Battle of Fort Necessity, in Pennsylvania.

Exactly 200 years ago the first united action upon the part of the colonies took place at Fort Necessity. On July 3, 1754, the troops of Virginia and South Carolina, commended by Col. George Washington, at the age of 22 engaged a superior force of French and Indians there.

The true significance of this engagement was stated by Gov. James Glen, of South Carolina, on March 24, 1754, when he said in his message to the South Carolina Assembly, "Up to this time the colonies have acted as entirely separate and independent States." Benjamin Franklin was impelled to utter his famous declaration "Unite or die."

Colonel Washington, in addition to commanding troops from Virginia and South Carolina, on the soil of Pennsylvania, was to have been reinforced by troops from North Carolina and New York who were then on the march. Pennsylvania voted him 10,000 pounds and Maryland voted him 5,000 pounds. Massachusetts sent troops to the north to harass the French.

This battle marked the beginning of the French and Indian War in America and the Seven Years War in Europe. Voltaire declared, "A cannon shot fired in the woods of America was the signal that sent all Europe in a blaze." Additionally, this battle marked the first military combat engagement of George Washington.

There is to be a great celebration at Fort Necessity this year which will be participated in by the English, French and Canadian governments. There could be no more auspicious occasion to recognize the proper rank of George Washington.

The fact that he does not presently possess this rank is, in fairness to all concerned, an accident of nomenclature rather than an oversight, I firmly believe, and, hence, the need for immediate corrective action.

Likewise, there appears to have been a certain apprehension on the part of a former President of the United States about the significance of the title of "General of the Armies." The truth of the matter was that Washington, in fact, always had the title except for the use of the plural in the word "Army." The title was bestowed by the Continental Congress.

George Washington victoriously led our troops in the War of the Revolution under the rank and title of "General and Commander in Chief of the Army of the United Colonies and of all forces now raised or to be raised by them."

General Washington resigned that commission after the victorious close of hostilities, on December 23, 1783. He resigned his commission to the Congress of the United States assembled in the State house at Annapolis and promptly returned to his home in Mount Vernon to celebrate his first Christmas Day there in 7 years.

General Washington was elected President of the United States and was inaugurated April 30, 1789. He was inaugurated for the second time on March 4, 1793.

He refused to consider a third Presidential term, issued his Farewell Address on September 17, 1796, and attended the inauguration of John Adams, his successor and the second President of the United States, on March 4, 1797.

Almost immediately thereafter he returned to his home at Mount Vernon where he resumed the life of an active farmer.

He was not to stay for long in this state of semiretirement because war with France was threatening. President Adams became deeply concerned and asked General Washington if he would accept appointment again—this time to command the armies of the United States.

The Congress of the United States, by act of May 28, 1798, authorized the raising of a provisional army, in view of the situation, empowering the President to appoint a commander of the Army, who, being commissioned as lieutenant general, "may be authorized to command the armies of the United States." General Washington agreed to take command of the armies and was appointed lieutenant general and Commander in Chief of all the armies raised or to be raised in the United States. The Senate promptly confirmed the appointment. The appointment was effective July 4, 1798.

All of this, of course, was preparation for a war which did not take place.

In the following year, as our fledgling Nation grew stronger, men began to reflect upon the nature of the permanent Military Establishment and Congress, by act of March 3, 1799, provided that "a commander of the Army of the United States shall be appointed and commissioned by the style of General of the Armies of the United States and the present office and title of lieutenant general shall thereafter be abolished."

President Adams did not confer the title upon General Washington, who died December 14, 1799, 9 months after the act was passed.

Historians have offered many reasons why President Adams failed to honor the intent of Congress, but perhaps the answer is best found in an opinion by the United States Attorney General, dated August 24, 1855, which had to do with this subject generally.

After indicating, in his opinion, that the Cabinet and the President were not altogether in agreement on the nature of the possible war, they even differed on "this very point of the military title of the person to command the Army, he (Adams) preferring Lieutenant General to General of the Armies of the United States, which, in his view, touched, if it did not encroach, upon the constitutional functions of the President."

If this, then, was the attitude of President Adams at the time of Washington's recall to active duty when war threat-

ened, it appears to follow that it thereafter continued to be his attitude.

Five months later, on May 14, 1800, Congress passed an act authorizing President Adams to suspend any appointment to the office of "General of the Armies of the United States" with the explanation of "having reference to economy and the good of the service."

Two facts thus stand out in bold relief: First, Washington's rank and title during the Revolutionary War, in which our Nation won its freedom, was "General and Commander in Chief of the Army of the United Colonies and of all forces now raised and to be raised by them"; second, Washington's rank and title in the United States Army, to which he was appointed in anticipation of a war with France, was that of "Lieutenant General and Commander in Chief of all the armies raised or to be raised in the United States."

In other words, his combat rank and title as our leader in the Revolutionary War was conferred upon him by a nation not yet born but which was fighting its way into the world. His second and, certainly, least important title, seems to be the one which finds its way first into the record books because it was the title conferred upon him by the newborn United States which was by that time under a Constitution.

On the list of officers of the United States Army, General Washington holds rank only as lieutenant general because his rank of General and Commander in Chief of the Army was under the United Colonies as directed by the Second Continental Congress.

It goes without saying that the time has long since passed when the Nation which Washington so nobly and heroically helped create by force of arms should confer upon him the equivalent rank and title to that which he held as the commander of its Revolutionary forces.

The rank and title of General of the Army has been earned and conferred upon eight men: Grant, Sherman, Sheridan, Marshall, MacArthur, Eisenhower, Arnold, and Bradley. The rank and title of General of the Armies has been earned and conferred upon one man: Pershing.

It would seem then that the action which I recommend here today is simply to reconfer upon General Washington the equivalent rank and title within the Army of the United States that he held within the Army of the United Colonies, dating from his original date of rank in 1775, since obviously the United Colonies and the United States are one and the same. General Washington's rank and date of rank would thus be senior to all other generals of the armies, past, present, and future. This is as it should be.

I said at the beginning that this discrepancy was an accident of nomenclature rather than an oversight or an act of intent or design. I think you will agree with me that such is the case, historically, except for the apprehension that seemed to exist in the mind of President Adams about the conferring of such a title.

Further support, if any is necessary, that the continuity in the rank and grade of General Washington should be maintained, despite the fact that he accepted a lesser title, after the war, within the Army of the United States, is found in these facts. Historically and properly the official birthday of the United States Army is June 14, 1775, when it was the Army of the United Colonies.

The official birthday of the United States Navy is October 13, 1775, when it was in the service of the United Colonies.

The birthday of the Marine Corps is November 10, 1775, when it was created in the service of the United Colonies.

As a Pennsylvanian, I cannot help but pause and point out that the Army, Navy, and Marine Corps were all created in the Keystone State at Philadelphia, the birthplace of liberty in America and the cradle of these United States.

It is altogether fitting and proper that this action, to place in proper perspective and give historical continuity to the rank and title of General Washington, our first commanding general and our first President of the United States, should be done in the year 1954, which is the 200th anniversary of the Battle of Fort Necessity, in which General Washington, as a 22-year-old colonel, commanded Colonial troops in the first united action on the part of the Colonies.

For this reason, I have also introduced, with my colleague from Pennsylvania [Mr. DUFF], a Senate joint resolution to observe the 200th anniversary of this critical battle and to pay proper tribute to George Washington.

There could be no more fitting time, at this late hour in history, to establish for all time the primacy of George Washington on the rolls of the United States Army.

The bill (S. 3374) to authorize the President to issue posthumously in the name of George Washington a commission as General of the Armies, and for other purposes, introduced by Mr. MARTIN, was received, read twice by its title, and referred to the Committee on Armed Services.

The joint resolution (S. J. Res. 152) to provide for the proper participation by the United States Government in a national celebration of the 200th anniversary of the Battle of Fort Necessity, Pa., on July 3 and 4, 1954, introduced by Mr. MARTIN (for himself and Mr. DUFF), was received, read twice by its title, and referred to the Committee on the Judiciary.

INTERNATIONAL SUGAR AGREEMENT

The Senate, as in Committee of the Whole, resumed consideration of the International Sugar Agreement, dated in London, October 1, 1953.

Mr. WILEY. Mr. President, the International Sugar Agreement has been ably presented to the Senate by the distinguished Senator from Vermont [Mr. AIKEN] who is chairman of the subcommittee of the Foreign Relations Committee which was in charge of this agreement. The agreement is further explained in the report of the hearings, and I do not intend again to go over that ground. There are, however, a few basic points which deserve emphasis.

To begin with, it is important to keep in mind what the agreement does not do.

First, it does not represent any new and radical policy. It is based on an agreement which was negotiated and approved by the Senate in 1937. It differs from the earlier agreement mainly in that under it exporting and importing countries will have equal voting strength on the International Sugar Council, and in that a definite price range will be fixed to guide the council in setting export quotas.

Second, the agreement does not obligate the United States in any way whatsoever in regard to the price of sugar. The only financial obligation the United States assumes is to pay our proportionate share of the administrative expenses of the Sugar Council and the expenses of our delegation.

Our payment to the council this year will probably be in the neighborhood of $14,000. In any event, it will be 12.25 percent of the Council's total budget. Both relatively and absolutely, that is far below our contribution to most international organizations.

Third, the agreement has no effect on our domestic Sugar Act, on our imports of sugar, or on the price of sugar in the United States. Imports of sugar into the United States are specifically excluded from the provisions of the agreement. There is no basis for the fear that the agreement will lead to higher sugar prices in the United States. Those who want lower prices should attack our domestic Sugar Act, not the pending International Sugar Agreement.

I might say that according to a great deal of mail I have received from candy manufacturers and others, apparently they have been sold a poor bill of goods as to the effect of the agreement. If they want lower prices, they had better attack the Domestic Sugar Act.

In view of the fact that the agreement does not affect the United States in any of these ways, the question naturally arises as to why the United States should participate in the agreement at all.

To answer that question, let us first consider some of the economics—and politics—of sugar. I do not know of any other commonly used commodity which is the subject of so many controls and restrictions. The world free market, which is all that is involved in this agreement, accounts for only about one-third of world trade in sugar and for only about 10 to 15 percent of world production. The free market is the place where supplies are dumped in time of surplus and where supplies are sought in time of shortage. It has, therefore, been subject to extreme fluctuations in price. Lately, these fluctuations have been mostly downward.

Sugar is the lifeblood of Cuba, which is almost within jumping distance of the United States, and it is vitally important to other countries of the Caribbean, which are only slightly farther from our shores. Sugar likewise plays a large role in the Philippines, in which we have a special interest, and it is an important source of foreign exchange to

the Nationalist Chinese Government on Formosa.

A collapse of the world sugar market, such as was threatened before the International Sugar Agreement became effective in January of this year, would have far-reaching political repercussions abroad, and particularly in the Caribbean. The agreement is a step toward economic and political stability in that area, and that objective is clearly in the national interests of the United States.

I may say, parenthetically, that many times when we speak about politics, we do not realize that, basically, politics is economics, and that the economic factors determine many of the political currents.

The countries concerned are anxious to have us participate in the agreement, and a refusal on our part to do so would be interpreted as a lack of interest in their efforts to solve their own problems.

The agreement also provides a long-term avenue of approach to the basic problems of the world sugar industry. Article 26 provides for studies and recommendations by the Sugar Council of such matters as the effects of taxation and restrictive measures and economic, climatic, and other conditions on world consumption of sugar; means of promoting consumption, particularly where it is low; progress of research into new uses of sugar; and the various forms of special assistance to the sugar industry. These activities of the Council may be as important in the long run as its more immediate task of stabilizing the world price of sugar.

Mr. President, promoting the consumption and the progress of research in the utilization of sugar may become very important, particularly in view of the fact that we are living in an age of chemistry, an age in which we are really only beginning to touch the hem of a vast field of which we know very little.

Through participation on the Council, the United States will be in a position to make constructive proposals leading to solutions consistent with our own interests and policies.

To sum up, Mr. President, we have practically nothing to lose and a great deal to gain by participating in the International Sugar Agreement. It is a good, sound proposition for the United States, and I urge the Senate to approve it.

Mr. President, I feel that the letter to the President, signed by Walter B. Smith, in which the agreement was submitted to the President, substantiates the position that the agreement is a good one, and that the Senate should approve it. I ask unanimous consent that, following my remarks, the letter may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, February 2, 1954.

The PRESIDENT,
The White House:

I have the honor to transmit to you a certified copy of the International Sugar Agreement, dated in London October 1, 1953, with the recommendation that it be submitted to the Senate for its advice and consent to ratification.

The agreement, which was signed for the United States of America and 23 other states, is designed to regulate the international marketing of sugar and seeks to maintain the world price of sugar within a given range. Its stated objectives are (1) to assure supplies of sugar to importing countries and markets for sugar to exporting countries at equitable and stable prices, (2) to increase the consumption of sugar throughout the world, and (3) to maintain the purchasing power in world markets of countries largely dependent upon the production or export of sugar.

The United States is a party to the International Agreement Regarding the Regulation of Production and Marketing of Sugar, signed at London on May 6, 1937 (59 Stat. 922). The operative provisions of that agreement were suspended at the onset of World War II when sugar became critically short, and there was no longer any reason for imposing export quotas or maintaining stock controls. The 1937 agreement was prolonged, however, beyond its original period of 5 years by a series of protocols, since it was considered desirable to maintain its administrative body, the International Sugar Council, as an international forum for dealing with postwar sugar problems. The last protocol, dated in London August 31, 1952, and approved by the United States Senate on July 27, 1953 (S. Ex. L, 83d Cong., 1st sess.), extended United States participation in the Council until August 31, 1955.

The 1952 protocol recognized that revision of the 1937 agreement was necessary to meet the marked changes in sugar production and trade which resulted from the war. Accordingly, it was provided that in the event of a new international sugar agreement coming into force, the sugar agreement of 1937 would thereupon be terminated. Sugar surpluses had again become a threat in the world market as early as 1949. In the summer of 1950, member countries of the International Sugar Council were engaged in drafting a new sugar agreement to meet the situation when the Korean outbreak removed for the moment the danger of a collapse in world market prices. The temporary inflation in sugar prices which followed stimulated even greater production and in 1952 prices began to recede rapidly as surpluses developed. At a meeting on November 24, 1952, the Sugar Council resolved to ask the United Nations to call a world sugar conference in 1953 to negotiate a new international sugar agreement. Study of this request by the United Nations Interim Coordinating Committee for International Commodity Arrangements resulted in a decision by the Secretary General to convene a conference in London on July 13, 1953. Delegates from 38 countries and observers from 12 others provided representation at the conference of all the principal sugar-producing and consuming areas of the world.

The executive branch has been in favor of a new international sugar agreement for several reasons. An effective agreement can do much to improve marketing conditions for sugar and help to stabilize the economies of a large number of countries in all parts of the world dependent on export trade in sugar for a large part of their foreign exchange. Close at home the Caribbean area is singularly dependent on sugar production and export for the well-being of its people. It is important that the United States give its support to this measure as it should help to promote the general welfare and political stability in an area in which our economic and strategic interests are very great.

The need for a sugar agreement is illustrated by the situation prevailing during the past marketing year. A serious oversupply of sugar was evident and prices were depressed to their lowest levels since 1945. The situation would have reached serious proportions if Cuba had not voluntarily imposed severe restrictions on its 1953 crop and withheld 2 million tons of its 1952 crop from the market. The conditions requiring this action, however, have remained. Neither Cuba nor any other single producing country can continue to correct them by its own action without parallel action by many other countries.

Our domestic sugar producers have supported the negotiations toward a new sugar agreement in the realization that the United States should do its part to help avoid disastrously low prices in the world market and a severe depression in the sugar industries of friendly foreign countries. Sugar prices in the United States are normally maintained at higher levels than those in the world market under our domestic sugar legislation, but surpluses of unmanageable proportions in the Caribbean area would ultimately have a depressing effect on our prices.

The new International Sugar Agreement would have but little effect on trade in sugar in the United States. Marketings of sugar in the United States from both domestic and foreign sources are now regulated by the provisions of the Sugar Act of 1948, as amended, the objectives of which are consistent with those of the new agreement. The agreement would require the United States to take the necessary action to deny to any full-duty countries which may elect not to participate the benefit of any future expansion of the United States market for sugar. Under the provisions of article 7, the United States and other importing countries would be obligated to restrict their imports of sugar from nonparticipating countries as a group during any quota year to the total quantity that was imported from those countries as a group during any one of the calendar years 1951, 1952, 1953.

This provision is incorporated to prevent nonparticipating countries from gaining advantages at the expense of participating countries. Some countries which export relatively small quantities of sugar to the United States may not accede to the new International Sugar Agreement. Implementation of this provision would therefore mean that the United States would not during the life of the agreement permit imports of sugar from these countries as a group to exceed the quantity imported in any one of the 3 base years. Thus, countries which remain out of the agreement could not participate in future increases in sugar consumption in the United States. However, the quantity of sugar involved is likely to be less than 50,000 tons over the entire life of the agreement, and would be readily obtainable from other foreign countries under the provisions of existing sugar legislation.

As the United States is dependent upon foreign sources for almost half of its sugar requirements, it will have the status of an importing country under the agreement. No export quotas are assigned to importing countries. There is no specific prohibition against exports from a country having the status of an importer, although such exports, if made in substantial quantities, would clearly be contrary to the spirit of the agreement and would render its administration difficult. As our prices are maintained at higher levels, the United States normally exports only very minor quantities of quota sugar, i. e., sugar eligible for marketing in the United States under the quota provisions of the Sugar Act. Payments are made to domestic growers of sugarcane and sugar beets as a condition of compliance with certain provisions of the Sugar Act, and it is presumed that all sugar on which such payments are made will be marketed in the United States. The Sugar Act includes no prohibition against exports of such domestically produced sugar, but the marketing controls provided in the Sugar Act will cause exports of such sugar to be minor under nor-

mal conditions. Exports of sugar entered under bond for refining and reexport would not be affected by the International Sugar Agreement.

Under the sugar agreement a basic export quota is assigned to each exporting country (art. 14). This quota represents the country's proportionate share of the world's "free market." At the beginning of each year, basic export quotas will be adjusted pro rata so that in total they equal the estimated requirements of the free market during the year (art. 18). The agreement seeks to stabilize world prices within a range of 3.25 to 4.35 cents per pound (art. 20). Whenever the price exceeds this range, free market supplies will be increased by raising export quotas; conversely, whenever the price falls below the minimum limit, available supplies will be restricted by decreasing quotas (arts. 21 and 22).

Each exporting country agrees that its net sugar exports to the free market in each quota year will not exceed the export quotas established for it under the provisions of the agreement (art 8). It is also agreed by the exporting countries that they will take all practicable action to insure that the needs of participating importing countries are met at all times (art. 9). To this end, if the Sugar Council should determine that, notwithstanding other provisions of the agreement, participating countries which import sugar are threatened with difficulties in meeting their requirements, the Council must recommend measures to the exporting countries to give effective priority to those requirements. Exporting countries are then obligated to give priority, on equal terms of sale, to participating importing countries. To facilitate the stabilization of prices, exporting countries are obligated to adjust production to the quantity needed to provide for local consumption, to fill their export quotas, and to maintain stocks within the maximum and minimum limits specified under the terms of the agreement (art. 10).

The world "free market" for sugar, which the agreement seeks to stabilize and apportion among exporting countries, represents all the export market for sugar not filled through special trading arrangements recognized in the agreement. All sugar destined for consumption in the United States is excluded (art. 17). The bulk of the sugar requirements of the United Kingdom and the British Commonwealth are excluded from the free market (art. 18). Likewise, sugar moving into the Soviet Union from Poland and Czechoslovakia is excepted, as are shipments of sugar within the French Union (art. 14). The agreement also does not apply to movements of sugar up to a net amount of 175,000 tons per year between the Belgo-Luxembourg Economic Union (including the Belgian Congo), France and the countries which France represents internationally, the Federal Republic of Germany, and the Kingdom of the Netherlands (including Surinam) (art. 15). About one-third of the sugar moving annually in international trade falls within the concept of the free market and would be regulated by the agreement.

There are embodied in the agreement several provisions designed to protect the interests of the importing countries in the free market. In addition to the provisions of article 9 described above, which assure a priority to participating importing countries when the world's sugar market is faced with abnormal demands, the agreement imposes an obligation on exporting countries to maintain certain inventories of sugar. Each exporting country agrees to hold stocks at least equal to 10 percent of its basic export quota at a fixed date each year immediately preceding the harvesting of the new crop (art. 13). Since stocks are normally at their low point at that time of year, this provision assures that they will be in excess of 10 percent during the remainder of the year. These minimum stocks are earmarked to fill increased requirements of the free market, cannot be used for any other purpose without the consent of the Council, and are to be immediately available for export to the free market when called for by the Council. The Sugar Council may increase the minimum stocks required to 15 percent should it determine that conditions warrant the higher level. The agreement permits exporting countries to hold stocks up to 20 percent of their annual production. In addition to the stock provisions, the agreement provides that actual export quotas may not be reduced more than 20 percent below basic export quotas. The quotas of small exporting countries may, however, be reduced by only 10 percent in order to prevent undue hardship (art. 23). The agreement also empowers the Sugar Council to modify the price range at any time (art. 20). Thus if market conditions make it impossible to maintain the price within the agreed price range by reducing quotas, the price range can be lowered.

An International Sugar Council, consisting of 1 voting member from each of the participating countries, is established to administer the new agreement (art. 27). A Chairman and a Vice Chairman will be selected each year, and these offices will be held in alternate years by delegates from importing and exporting countries. The Council will appoint, however, an Executive Director to give full-time administrative direction to the work of the Council, a Secretary, and such staff as may be required for the work of the Council and its committees (art. 29). The Council is to set up an Executive Committee of 10 members, divided equally between the importing and exporting countries, which is to exercise such functions as are delegated to it by the Council (art. 37). It is anticipated that the Executive Director, working with the Executive Committee, will handle the daily affairs of the Council in the actual administration of the agreement.

The agreement provides that a total of 2,000 votes shall be apportioned among the members of the Council, divided equally between the importing and the exporting countries (arts. 33 and 34). In general the votes assigned to the individual importing countries are related to their average imports. The votes allocated to the United Kingdom and the United States, by far the largest importing countries, were reduced to 245 each, which, taken together, are slightly less than a majority of the votes of the importing countries. An allocation of votes in strict proportion to imports of sugar from foreign countries would have resulted in the United States and the United Kingdom having such an overwhelming majority that smaller countries would have only token votes. On the exporting side votes were allocated in relation to average production over the past 2 years and to the basic export quotas negotiated under the agreement. As Cuba is by far the world's largest producer and exporter of sugar, and would thus have a preponderance of the votes of the exporting countries on a strict formula basis, Cuba's votes were also reduced to 245.

Decisions of the Council are in general to be by a majority of the votes cast by the importing countries and a majority of the votes cast by the exporting countries (art. 36). When a special vote is required, decisions of the Council shall be by at least two-thirds of the total votes cast, which shall include a concurrent majority of both exporting and importing countries. A special provision requires that, in both regular and special voting, a decision taken by a majority of the importing countries must include votes cast by not less than one-third in number of the importing countries present and voting. This increases the voting power of the smaller importing countries, whose votes, taken together, are only slightly larger than the total votes of the United Kingdom and the United States.

Expenses of delegations to meetings of the Council and of members of the Executive Committee are to be met by their respective governments (art. 38). The other expenses necessary for the administration of the agreement will be met by annual contributions from the participating governments. The contribution of each participating government for each quota year shall be proportionate to the number of votes held by it when the budget for that quota year is adopted. Any participating government failing to pay its contribution by the end of the quota year in which it is assessed will be deprived of its voting rights until its contribution is paid, but, except by special vote of the Council, will not be deprived of any of its other rights nor relieved of any of its obligations under the agreement.

The agreement provides that the articles pertaining primarily to administrative matters (1, 2, 18, and 27 to 46, inclusive) shall come into force on December 15, 1953, and articles pertaining primarily to quotas and prices (3 to 17 and 19 to 26, inclusive) shall come into force on January 1, 1954, if on December 15, 1953, instruments of ratification, acceptance, or accession have been deposited by governments holding 60 percent of the votes of importing countries and 75 percent of the votes of exporting countries (art. 41).

The duration of the agreement is to be for 5 years from January 1, 1954 (art. 42), although it is subject to revision and amendment after the first 3 years. A participating government may under certain circumstances and conditions withdraw from the agreement (art. 44). These include cases where a participating government (1) considers its interest to be seriously prejudiced by the failure of any signatory government to ratify or accept the agreement; (2) demonstrates, and the Council fails to take remedial action, that the operation of the agreement has resulted in an acute shortage of supplies or has failed to stabilize prices on the free market within the range provided for in the agreement; (3) demonstrates, and the Council agrees, that action by a nonparticipating country or by a participating country inconsistent with the agreement has caused such adverse changes in the relation between supply and demand on the free market as to seriously prejudice its interests; (4) considers that its interests will be seriously prejudiced by the allotment of a basic export tonnage to a nonparticipating country wishing to accede to the agreement; or (5) becomes involved in hostilities and the Council denies its application for the suspension of its obligations under the agreement.

While the agreement concerns itself primarily with the mechanics of dealing with sugar surplus and shortage problems and efforts to stabilize sugar prices, it also provides the groundwork for a constructive long-term attack on the more basic aspects of the world sugar problem. It was recognized and maintained by the United States Government throughout the negotiations that a general reduction in world trade barriers on sugar was desirable to increase consumption in those areas where per capita consumption is low. The limitation of subsidized and protected production appeared to be the most effective long-term measure for dealing with the world sugar surplus problem. Although it was not possible to incorporate provisions leading to the immediate attainment of these goals in the agreement, provision is made for the Council to collect and disseminate information and to constitute a focal point for dealing with these problems in the future.

For the foregoing reasons, and in view of the fact that the agreement affords a practical means for cooperative action in seeking a solution for sugar surplus problems and maintaining a sound world sugar economy, the interested agencies of the executive

branch favor submission of the agreement to the Senate, and it is hoped that the agreement may receive early and favorable consideration.

Respectfully submitted.

WALTER B. SMITH.

(Enclosure: Certified copy of the International Sugar Agreement.)

Mr. BUTLER of Nebraska. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. BUTLER of Nebraska. If I understood the Senator from Wisconsin correctly, he made a remark that the international sugar situation appeared to be very critical until the agreement was reached last January. If the sugar troubles of the world were smoothed out through some sort of an agreement made last January, why is the International Sugar Agreement needed now?

Mr. WILEY. The agreement was made last October, not last January. It is the consensus of the State Department and the consensus of the Committee on Foreign Relations that it is in the interest of our Government to seek to stabilize, so far as is humanly possible, conditions in the sugar industry. That is the real reason.

I have outlined what the agreement does not do, because of the very great misconception of what it is claimed it will do. The agreement will continue, more or less, the policy which has been in effect since 1937, and which has been found to be working very well in the interests of America.

Mr. BUTLER of Nebraska. Apparently the agreement made last October can be continued without the approval of this agreement at this time, can it not?

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILEY. As a matter of fact, it will be necessary to ratify the agreement before the end of this week. It is in the nature of an international treaty or agreement, which must have the ratification of the Senate. That is why we are asking for action on it now.

I yield to the Senator from Vermont.

Mr. AIKEN. The agreement which has been in effect for the last few months has been in effect only on a provisional basis. It is necessary to complete ratification by May 1.

The PRESIDING OFFICER. If there be no objection, the pending agreement will be considered as having passed through its various parliamentary stages, up to the presentation of the resolution of ratification.

Mr. KNOWLAND. I suggest the absence of a quorum.

Mr. FREAR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Delaware will state it.

Mr. FREAR. After a quorum has been established, may a Senator be recognized before a vote is taken?

The PRESIDING OFFICER. Yes.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. May the Chair ask the Senator from Delaware if he desires to be recognized before a quorum actually is developed?

Mr. KNOWLAND. Mr. President, I think the only point the Senator from Delaware had in mind was that he wanted to be certain that he would not be foreclosed from a discussion of the agreement.

Mr. FREAR. After a quorum had been developed, but before a vote had been taken.

The PRESIDING OFFICER. Would the Senator from Delaware prefer to make his remarks now?

Mr. FREAR. I should prefer to wait until a quorum had been developed.

The PRESIDING OFFICER. Is there objection to the pending agreement being considered as having passed through its various parliamentary stages, up to the presentation of the resolution of ratification?

The Chair hears none, and it is so ordered.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Goldwater	Millikin
Anderson	Gore	Monroney
Barrett	Green	Morse
Beall	Hayden	Mundt
Bennett	Hendrickson	Murray
Bowring	Hennings	Pastore
Bricker	Hickenlooper	Payne
Bridges	Hill	Potter
Burke	Hoey	Purtell
Bush	Holland	Robertson
Butler, Md.	Humphrey	Russell
Butler, Nebr.	Ives	Saltonstall
Capehart	Jackson	Schoeppel
Carlson	Jenner	Smathers
Case	Johnson, Colo.	Smith, Maine
Clements	Johnson, Tex.	Smith, N. J.
Cordon	Johnston, S. C.	Stennis
Daniel	Kerr	Symington
Dirksen	Kilgore	Thye
Douglas	Knowland	Upton
Duff	Lehman	Watkins
Dworshak	Long	Wiley
Ellender	Malone	Williams
Ferguson	Martin	Young
Frear	McCarthy	
Gillette	McClellan	

Mr. SALTONSTALL. I announce that the Senator from North Dakota [Mr. LANGER] is absent by leave of the Senate.

The Senator from Kentucky [Mr. COOPER] is absent on official business.

The Senator from Vermont [Mr. FLANDERS], the Senator from California [Mr. KUCHEL], and the Senator from Idaho [Mr. WELKER] are necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Georgia [Mr. GEORGE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MANSFIELD], the Senator from South Carolina [Mr. MAYBANK], and the Senator from Nevada [Mr. MCCARRAN] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from North Carolina [Mr. LENNON], the Senator from Washington [Mr. MAGNUSON], the Senator from West Virginia [Mr. NEELY], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The PRESIDING OFFICER (Mr. DUFF in the chair). A quorum is present.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KNOWLAND. I understand the agreement has now gone through its several stages, up to the point of ratification, and that it is now in order at any time to submit the proposed reservation to the resolution of ratification.

The PRESIDING OFFICER. That is correct, as soon as the resolution of ratification is reported.

Mr. FREAR. Mr. President, I desire to take only a few minutes of the time of the Senate at this hour in the afternoon, but I believe it to be my duty to call to the attention of this great body some expressions by several former Presidents of the United States.

First, Mr. President, I should like to quote from Washington's Farewell Address:

> Against the insidious wiles of foreign influence, * * * the jealousy of a free people ought to be constantly awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government.

Mr. President, further from Washington's Farewell Address, I quote the following:

> The great rule of conduct for us, in regard to foreign nations, is, in extending our commercial relations, to have with them as little political connection as possible. So far as we have already formed engagements, let them be fulfilled with perfect good faith: Here let us stop.

From another great President, Thomas Jefferson, I quote the following from his first inaugural address, delivered on March 4, 1801:

> Peace, commerce, and honest friendship with all nations—entangling alliances with none.

Mr. President, this International Sugar Agreement has, to me, the form of a great international net suspended over the heads of not only 160 million Americans, but also many foreigners, as well. Some day someone may loose the cord that holds it, and then this great net will encompass us all. We may be sorry for the vote we are about to cast.

It was stated on the floor earlier this afternoon that this agreement does not represent any new or radical policy. Only 2 or 3 years ago there was considerable debate on the floor of the Senate when the international metals agreement was under consideration. The distinguished senior Senator from Michigan [Mr. FERGUSON] spoke at length and warned this body as to what we were about to enter upon. The junior Senator from Delaware concurred. Today Members of this body know what has happened. They know how true were the words spoken by the Senator from Michigan at that time.

It has also been stated by the Chairman of the Foreign Relations Committee, and I believe also by the chairman of the subcommittee, that this agreement would not obligate the United States regarding the price of sugar. If the world price of sugar should increase—and certainly today the world price is at the lowest range permissible

under the agreement—would not the domestic price follow? I think the domestic price of sugar would be increased.

In the words of the chairman, this agreement would not affect the domestic Sugar Act. If it would not, and if the American producer is protected, why should we enter into this agreement?

In the words of the Senator from Wisconsin [Mr. WILEY], this agreement is vitally important to the Caribbean countries, economically and politically. I agree. I think it would affect those countries, and especially Cuba and our own Puerto Rico. But if we wish to affect Cuba, the Dominican Republic, and other Caribbean countries, I believe there is a better vehicle by which we can support their economy, and help them politically, than by entering into an international sugar agreement which would include not only the Caribbean countries and ourselves, but several other countries, including Soviet Russia.

The chairman of the Foreign Relations Committee also stated that this agreement would promote the consumption of sugar and would promote research in sugar. To that I also agree; but I submit to Members of the Senate that I believe we can promote the consumption of sugar and promote research into new uses for sugar in a more economical way than through this agreement.

President Washington and President Jefferson left for us many admonitions which we would do well to follow. They set forth certain principles which have been followed down through the years. Perhaps we are not giving sufficient heed to their warnings, and the expressions which they made many years ago. They are still just as true, just as important, and just as potent today as they were 150 years ago.

Mr. President, I hope the Senate will not vote to ratify this agreement.

Mr. KNOWLAND. Mr. President, does the Senator from Illinois [Mr. DIRKSEN] desire to present his reservation at this time?

Mr. DIRKSEN. Yes. I now call up my reservation. I shall not discuss it any further. This afternoon we had a long formal and informal discussion of it.

Mr. KNOWLAND. Would the Senator object to having the reservation read by the clerk for the information of the Senate? I understand that in its present form it is acceptable to the Senator from Vermont [Mr. AIKEN] who is handling the agreement on the floor.

Mr. AIKEN. As revised by the Senator from Illinois it is acceptable so far as I know.

The PRESIDING OFFICER. The Chair is advised that it is not in order to offer the reservation until the proper point is reached. The clerk will read the resolution of ratification.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive B, 83d Congress, 2d session, the International Sugar Agreement, dated in London October 1, 1953.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. The resolution of ratification is open to reservation.

Mr. DIRKSEN. Mr. President, I offer the reservation which I send to the desk and ask to have stated.

The LEGISLATIVE CLERK. The Senator from Illinois proposes a reservation as follows:

It is the understanding of the Senate, which understanding inheres in its advice and consent to the ratification of the agreement, that no amendment of the agreement shall be binding upon the Government of the United States unless such amendment shall be ratified by the Government of the United States in accordance with the same constitutional processes which obtained in the ratification of the original agreement.

The PRESIDING OFFICER. The question is on agreeing to the reservation offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. KNOWLAND. Mr. President, on that question, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. As I understand, this vote is on the reservation offered by my colleague from Illinois [Mr. DIRKSEN] and not on the agreement itself.

The PRESIDING OFFICER. The Senator is correct.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from North Dakota [Mr. LANGER] is absent by leave of the Senate.

The Senator from Kentucky [Mr. COOPER] is absent on official business.

The Senator from Vermont [Mr. FLANDERS], the Senator from California [Mr. KUCHEL], and the Senator from Idaho [Mr. WELKER] are necessarily absent.

If present and voting, the Senator from VERMONT [Mr. FLANDERS] would vote "yea."

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Georgia [Mr. GEORGE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from South Carolina [Mr. MAYBANK], the Senator from Montana [Mr. MANSFIELD], and the Senator from Nevada [Mr. McCARRAN] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from North Carolina [Mr. LENNON], the Senator from Washington [Mr. MAGNUSON], the Senator from West Virginia [Mr. NEELY], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I announce further that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ] the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Washington [Mr. MAGNUSON], and the Senator from Nevada [Mr. McCARRAN] would vote "yea."

The result was announced—yeas 74, nays 2, as follows:

YEAS—74

Aiken	Gillette	McClellan
Anderson	Goldwater	Millikin
Barrett	Green	Monroney
Beall	Hayden	Morse
Bennett	Hendrickson	Mundt
Bowring	Hennings	Murray
Bricker	Hickenlooper	Payne
Bridges	Hill	Potter
Burke	Hoey	Purtell
Bush	Holland	Robertson
Butler, Md.	Humphrey	Russell
Butler, Nebr.	Ives	Saltonstall
Capehart	Jackson	Schoeppel
Carlson	Jenner	Smathers
Case	Johnson, Colo.	Smith, Maine
Clements	Johnson, Tex.	Smith, N. J.
Cordon	Johnston, S. C.	Stennis
Daniel	Kerr	Symington
Dirksen	Kilgore	Thye
Douglas	Knowland	Upton
Duff	Lehman	Watkins
Dworshak	Long	Wiley
Ellender	Malone	Williams
Ferguson	Martin	Young
Frear	McCarthy	

NAYS—2

Gore Pastore

NOT VOTING—20

Byrd	Hunt	Mansfield
Chavez	Kefauver	Maybank
Cooper	Kennedy	McCarran
Eastland	Kuchel	Neely
Flanders	Langer	Sparkman
Fulbright	Lennon	Welker
George	Magnuson	

So the reservation offered by Mr. DIRKSEN was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification with the reservation.

The resolution of ratification, as amended, is as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive B, 83d Congress, 2d session, the International Sugar Agreement, dated in London October 1, 1953, with the following understanding:

It is the understanding of the Senate, which understanding inheres in its advice and consent to the ratification of the Agreement, that no amendment of the Agreement shall be binding upon the Government of the United States unless such amendment shall be ratified by the Government of the United States in accordance with the same constitutional processes which obtained in the ratification of the original Agreement.

Mr. KNOWLAND. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from North Dakota [Mr. LANGER] is absent by leave of the Senate.

The Senator from Vermont [Mr. FLANDERS], the Senator from California [Mr. KUCHEL], and the Senator from Idaho [Mr. WELKER] are necessarily absent.

If present and voting, the Senator from Vermont [Mr. FLANDERS] would vote "yea."

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD] is absent because of illness in his family.

The Senator from New Mexico [Mr. CHAVEZ], the Senator from Georgia [Mr. GEORGE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MANSFIELD], the Senator from South Carolina [Mr. MAYBANK],

and the Senator from Nevada [Mr. McCARRAN] are necessarily absent.

The Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. HUNT], the Senator from Tennessee [Mr. KEFAUVER], the Senator from New York [Mr. LEHMAN], the Senator from North Carolina [Mr. LENNON], the Senator from Washington [Mr. MAGNUSON], the Senator from West Virginia [Mr. NEELY], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I announce further that on this vote the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Nevada [Mr. McCARRAN] are paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from New Mexico and the Senator from Nevada would vote "yea," and the Senator from Massachusetts would vote "nay."

I announce also that on this vote the Senator from New York [Mr. LEHMAN] and the Senator from Washington [Mr. MAGNUSON] are paired with the Senator from Arkansas [Mr. FULBRIGHT]. If present and voting, the Senator from New York and the Senator from Washington would vote "yea," and the Senator from Arkansas [Mr. FULBRIGHT] would vote "nay."

The yeas and nays resulted—yeas 60, nays 16, as follows:

YEAS—60

Aiken	Gillette	Morse
Barrett	Goldwater	Mundt
Beall	Hayden	Murray
Bennett	Hendrickson	Payne
Bowring	Hennings	Potter
Bridges	Hickenlooper	Purtell
Burke	Hill	Robertson
Bush	Hoey	Saltonstall
Butler, Md.	Holland	Schoeppel
Capehart	Humphrey	Smathers
Carlson	Ives	Smith, Maine
Case	Jackson	Smith, N. J.
Clements	Jenner	Stennis
Cooper	Johnson, Colo.	Symington
Cordon	Johnson, Tex.	Thye
Daniel	Knowland	Upton
Duff	Long	Watkins
Dworshak	Martin	Wiley
Ellender	Millikin	Williams
Ferguson	Monroney	Young

NAYS—16

Anderson	Gore	McCarthy
Bricker	Green	McClellan
Butler, Nebr.	Johnston, S. C.	Pastore
Dirksen	Kerr	Russell
Douglas	Kilgore	
Frear	Malone	

NOT VOTING—20

Byrd	Kefauver	Mansfield
Chavez	Kennedy	Maybank
Eastland	Kuchel	McCarran
Flanders	Langer	Neely
Fulbright	Lehman	Sparkman
George	Lennon	Welker
Hunt	Magnuson	

The PRESIDING OFFICER. Two-thirds of the Senators present concurring therein, the resolution of ratification with the reservation is agreed to.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXTENSION OF AUTHORITY FOR THE EXAMINATION AND REVIEW OF ADMINISTRATION OF TRADING WITH THE ENEMY ACT

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 1237, Senate Resolution 227, extending the authority for an examination and review of the administration of the Trading With the Enemy Act. This is a matter which I took up with the minority leader earlier in the day.

The PRESIDING OFFICER. The clerk will state the resolution.

The CHIEF CLERK. A resolution (S. Res. 227) extending the authority for an examination and review of the administration of the Trading With the Enemy Act.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution (S. Res. 227).

Mr. KNOWLAND. Mr. President, I ask that for the information of the Senate, the Senator from Illinois [Mr. DIRKSEN] make a brief statement with regard to the resolution.

Mr. DIRKSEN. Mr. President, on the 31st of January a special committee, which was created for the purpose of investigating the administration of the Trading With the Enemy Act, expired. The committee was created in the 82d Congress, and I more or less inherited the work. Since that time correspondence has piled up and matters of policy have developed, and it has become necessary to draft some omnibus legislation. The work requires a very modest staff. It is suggested that the unused balance be made available, with an additional $10,000, in order to continue the work. I point out that the matter should go to the Committee on Rules and Administration before funds can be made available.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

Mr. HUMPHREY. Mr. President, I should like to have an explanation of the resolution in a little more detail.

Mr. KNOWLAND. Mr. President, I suggest that if the Senator from Minnesota is agreeable, the report is available—

Mr. HUMPHREY. I did not have the report.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the report of the committee be printed in the body of the RECORD at this point, and if the distinguished Senator from Minnesota wishes any additional explanation from the Senator from Illinois, I am sure the Senator from Illinois will be glad to make it at my request. He has just made a brief explanation.

Mr. HUMPHREY. Mr. President, I did not have a copy of the report before me, and I did not know there was one. So long as the report is in the RECORD, I think that will be ample.

There being no objection, the report (No. 1237) was ordered to be printed in the RECORD, as follows:

The Committee on the Judiciary, to which was referred the resolution (S. Res. 227) extending the authority for an examination and review of the administration of the Trading With the Enemy Act, having considered the same, reports favorably thereon, without amendment, and recommends that the resolution be agreed to.

STATEMENT

This is a resolution which revives and continues the investigation into the administration of the Trading With the Enemy Act, first authorized by the Senate in Senate Resolution 245 of the 82d Congress. The Committee on the Judiciary, which is authorized to continue this investigation under Senate Resolution 227, is charged under the Legislative Reorganization Act with legislative supervision of the Department of Justice. The Office of Alien Property is administered by an assistant attorney general and is a part of the administration of the Department of Justice. It is, therefore, clearly within the jurisdiction of the Judiciary Committee to review the administration of the Office of Alien Property and all matters pertaining thereto.

Pursuant to the authority conferred upon it by the earlier resolutions, the Committee on the Judiciary appointed a seven-man subcommittee for the purpose of examining and reviewing the administration of the Trading With the Enemy Act. In January of this year that subcommittee filed an extensive report, in which it recommended seven proposals requiring legislative implementation. This legislation was proposed to eliminate inequities, injustices, and inconsistency in foreign policy found to exist in the Trading With the Enemy Act and its administration. The subcommittee however, has been unable to draft legislation implementing its recommendations because its authority has expired.

This resolution would provide for the revival and continuance of the subcommittee until January 31, 1955, and would authorize the expenditure of sums remaining from previous authorizations, in addition to the authorization of an additional $10,000 to be paid from the contingent fund of the Senate.

The committee is of the opinion that the subcommittee should be revived and given an opportunity to propose specific legislation which would carry out the recommendations in its final report. Until this has been done, the task which the committee originally undertook has not been completed. The committee, therefore, recommends that, in order to provide the necessary time and funds for this work, Senate Resolution 227 be approved by the Senate.

Mr. JOHNSON of Texas. Mr. President, I discussed this matter with minority members of the committee, and they felt the resolution should be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 227) was agreed to, as follows:

Resolved, That the authority conferred upon the Senate Committee on the Judiciary by Senate Resolution 245, 82d Congress, agreed to March 24, 1951; Senate Resolution 47, 83d Congress, agreed to January 30, 1953; and Senate Resolution 120, 83d Congress, agreed to June 24, 1953, to conduct a full and complete examination and review of the administration of the Trading With the Enemy Act, which authority

expired January 31, 1954, is hereby revived, and the time for reporting the results of such study and investigation is hereby extended to January 31, 1955.

SEC. 2. The unexpended balances of all sums previously authorized to be expended under such resolutions, and in addition thereto not more than $10,000 to be paid from the contingent fund of the Senate, shall be available for the expenses of the committee covering obligations incurred on or before January 31, 1955.

PUBLIC WORKS CONSTRUCTION FOR THE DISTRICT OF COLUMBIA

Mr. KNOWLAND. Mr. President, I am about to move that the Senate proceed to the consideration of Calendar 1187, House bill 8097, which is the public-works bill for the District of Columbia. It will not be taken up for debate tonight, but will be the pending business tomorrow. I can give assurances to the Senate that there will be no further voting tonight and no further business transacted except insofar as Senators care to place matters in the RECORD or make remarks.

Mr. President, I now move that the Senate proceed to the consideration of Calendar No. 1187, House bill 8097.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 8097) to authorize the financing of a program of public-works construction for the District of Columbia, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 8097) to authorize the financing of a program of public-works construction for the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia, with amendments.

Mr. KILGORE. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

DR. GODFREY LOWELL CABOT

Mr. KILGORE. Mr. President, I should like to invite the attention of the Senate for a moment to a very remarkable American citizen, Dr. Godfrey L. Cabot. At this moment, at the age of 93, he is garbed in leggings and heavy boots walking all over the extensive mining and gas properties which his company owns in my State of West Virginia. He is widely known throughout the State, visits his extensive properties frequently, and is very highly esteemed. When he is not in West Virginia, he is at his home in Boston, where, being only 93 years old, he never takes a taxicab, but walks every morning from his home on Beacon Street to his office in downtown Franklin Street.

Dr. Cabot has devoted himself extensively to the public service in addition to his business career. He was president of the National Aeronautical Association, which was very instrumental in passage of the Air Commerce Act of 1925. He was president and remains honorary president of the Federation Aeronautique Internationale, which, as many of us know, is the organization which keeps the official worldwide records for aviation of all countries.

Dr. Cabot was 55 years old when, in World War I, he took his flight training alongside men 35 years younger and won his Navy wings. His public service has increased rather than diminished. Recently he is a member of the Postal Affairs Task Force of the Hoover Committee on Reorganization of the Government, which strongly recommended that a separation be made between airline subsidies and compensation for the cost of carrying air mail, a recommendation which would be carried out by the enactment of S. 1360 introduced by the distinguished junior Senator from Massachusetts [Mr. KENNEDY], myself, and numerous Senators of both parties.

Dr. Cabot, who is certainly the dean of elderly statesman in aviation in this country, has written that the present airline subsidy practice is "the most deadly way of delaying progress in this extremely important field which could reasonably be devised." I believe we would do well to listen to the words of this wise man and to change this system which gives the most in subsidies to the company which loses the most, and with the help of the junior Senator from Massachusetts and many Senators from both parties I hope this reform that Dr. Cabot has so frequently recommended will be enacted.

Mr. President, I ask unanimous consent to insert in the RECORD at this point an article concerning Dr. Cabot which appeared in the "Harvard Alumni Bulletin" of April 17, 1954. I will say to my distinguished colleagues in the Senate, Mr. President, that I hope they will be half as active and half as alert and half as wise when they reach 93 as is Dr. Cabot.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A PROPHECY FULFILLED

Having reached his 93d birthday, Godfrey L. Cabot, 1882, doctor of laws, 1952, probably the oldest active businessman in the city of Boston, has decided to relinquish the presidency of the great chemical manufacturing company which bears his name. He has turned that office over to his son—Thomas D. Cabot, 1919—but he himself is retaining the chairmanship of the board. His daily brisk walk from his home on Beacon Street to his downtown office continues.

Godfrey L. Cabot, Inc., is engaged in the manufacture of carbon black, a field Cabot entered in Pennsylvania back in the eighties, not long after graduate study in geology in Zurich, Switzerland.

Another of Cabot's special interests is aviation. One of the first men to appreciate the implication of the heavier-than-air flight of the Wright brothers, he has flown every type of modern airplane except the jet. He is honorary president of the Aero Club of New England and of the Federation Aeronautique Internationale.

He likes to remember a remark of his father, Dr. Samuel Cabot, when he himself was a boy of 12: "Man is going to fly, and when he flies he will fly farther and faster than the birds. Man is not a fast runner, but he has outrun all animals with his steam locomotive. He is a very slow swimmer, but he has outswum all the cetaceans and fish with his steamboat. I don't expect to see it (the flying age) but you will."

Mindful, perhaps, of C. S. Bushnell, of New Haven, who built the *Monitor* that defeated the Confederate *Merrimac* in 1862, Cabot made numerous attempts to build for the Government a torpedo-carrying plane in 1917. Having learned to fly 2 years before that, at the age of 55, he had devoted much of the intervening time to selective recruiting for the United States Air Force, so that it might comprise the group of highly intelligent officers and men that Cabot thought essential. He had great difficulty in getting a hearing for his torpedo-carrier, for he soon found that he would need official endorsement in order that any factory might devote its time and facilities to the project. Finally, in May 1918, a letter on the matter from Rear Admiral Fiske, written 4 months before, was answered by Secretary of the Navy Josephus Daniels: "the possibility of obtaining satisfactory results from the proposed scheme is so slight as not to warrant the expenditure of the time and talent required for its development."

So the torpedoplane was left for Great Britain to develop; but Cabot's interest in flying did not lag. That same year, he culminated a series of experiments in picking up cargo from a moving plane, when he personally "picked up 155 pounds in full flight from a moving sea sled in Broad Sound near Shirley Gut. I soared with it to a height of about 150 feet and then cast loose the elastic rope to which it was attached and recovered it later."

The practical application of these experiments would, he hoped, make possible fueling three-engined bombers on their way to Europe, for the best of them could not make so long a hop with a capacity cargo of gasoline.

A generous benefactor to several educational institutions, Cabot has given $1 million to Norwich University, of which he is a trustee. He established the Maria Moors Cabot prizes in journalism at Columbia; and to the Massachusetts Institute of Technology, of which he is a life member of the corporation, he has given nearly three-quarters of a million dollars. In addition, he has given generously to Northeastern University, of which he is also a corporation member; a reading room at Northeastern is named in his honor. Among his gifts to his own alma mater, which he serves as a Harvard fund class agent and as secretary of his college class, is the Maria Moors Cabot Foundation for Botanical Research (originally $678,000), established in 1937 primarily "to increase the capacity of the earth to produce fuel by the growth of trees and other plants."

Cabot was married in 1900 to Maria B. Moors. They had 5 children—4 sons and 1 daughter. Their youngest son, John M. Cabot, 1923, is the newly appointed Ambassador to Sweden. The oldest son, James Jackson Cabot, 1913, died in 1930. There are 14 grandchildren and 18 great-grandchildren.

RECESS

Mr. KNOWLAND. Mr. President, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 53 minutes p. m.) the Senate took a recess until tomorrow, Thursday, April 29, 1954, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate April 28 (legislative day of April 14), 1954:

IMMIGRATION AND NATURALIZATION SERVICE

Joseph May Swing, of California, to be Commissioner of Immigration and Naturalization, vice Argyle R. Mackey.

HOUSE OF REPRESENTATIVES

WEDNESDAY, APRIL 28, 1954

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who art acquainted with all our needs grant that in our moments of prayer we may be blessed with a more vivid and vital sense of the great moral and spiritual realities.

May nothing darken or eclipse our vision of the nobility and strength of character we may attain unto if we believe in that which is good and follow it faithfully and courageously.

We pray that Thy divine spirit may discipline and give direction to the many and varied impulses and tendencies which seek to find lodgment in our souls.

Help us to appreciate and understand more fully that the secret of a happy and victorious life is that of a mind and heart centered upon and controlled by lofty ideals and principles.

In Christ's name we offer our prayer. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2911. An act to provide for the development of a sound and profitable domestic wool industry under our national policy of expanding world trade, to encourage increased domestic production of wool for our national security, and for other purposes.

The message also announced that the Vice President has appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 54–12.

SPECIAL ORDER GRANTED

Mr. JAVITS asked and was given permission to address the House for 5 minutes today, following the legislative business of the day.

PERMISSION TO SIT DURING GENERAL DEBATE

Mr. McGREGOR. Mr. Speaker, I ask unanimous consent that the Subcommittee on Roads of the Committee on Public Works may sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1955

Mr. ALLEN of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 516.

The Clerk read the resolution, as follows:

Resolved, That during the consideration of the bill (H. R. 8873) making appropriations for the Department of Defense and related independent agency for the fiscal year ending June 30, 1955, and for other purposes, all points of order against the bill or any provisions contained therein are hereby waived.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH] and to myself such time as I may require.

The SPEAKER. The gentleman from Illinois is recognized.

Mr. ALLEN of Illinois. Mr. Speaker, I rise to urge the adoption of House Resolution 516, which will make in order the consideration of the bill (H. R. 8873), making appropriations for the Department of Defense and related independent agency for the fiscal year ending June 30, 1955, and for other purposes.

Mr. Speaker, all this rule does is to waive points of order against the bill. It is a very simple rule and I hope that the House membership will adopt it.

This appropriation bill, Mr. Speaker, would if passed appropriate $5,632,614,500 less than was appropriated for fiscal year 1954. If it is passed in its present form, it would also represent a saving of $1,206,348,500 over what the budget estimate for 1955 had been.

I think that we will all agree that the Appropriations Committee is to be congratulated for the time and effort that they have expended on this bill, and the figures which they have come out with, I think represent the proof of the outstanding job that this committee has done.

Mr. SMITH of Virginia. Mr. Speaker, I do not expect to consume any particular amount of time except to say that this resolution simply waives points of order on certain legislative provisions in the bill. I have gone over those provisions and I find they are all aimed at economy and better efficiency and has resulted in the elimination of some of the waste that has been going on in the Armed Forces.

The committee, in my opinion, has done a splendid job on this bill and on the legislative provisions. It is a meritorious bill and should be adopted.

Mr. PRICE. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Illinois.

Mr. PRICE. The gentleman from Virginia has stated that these legislative provisions all result in economy and better efficiency. I do not think all of them are aimed at better efficiency. They may be aimed at economy. There is one in particular I have in mind that will result in decreased efficiency in connection with the training of our Air Force pilots. During general debate this matter will be discussed further. The gentleman is right with that one exception.

Mr. SMITH of Virginia. The gentleman from Illinois understands, of course, that he can discuss that matter in general debate and that it may be corrected by amendment, if necessary.

Mr. PRICE. I just wanted to bring that out because it is important to the future of our Air Force and I hope the Members will give some consideration to it when we reach that point in the consideration of the bill.

Mr. SMITH of Virginia. It will be thoroughly considered, I am sure, when that point is reached.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CALL OF THE HOUSE

Mr. SCRIVNER. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 56]

Aspinall	Fine	Preston
Barrett	Frazier	Rayburn
Battle	Gamble	Reece, Tenn.
Bender	Garmatz	Reed, Ill.
Boykin	Gordon	Richards
Camp	Gubser	Rivers
Carlyle	Haley	Roberts
Celler	Hart	Roosevelt
Chatham	Holifield	Saylor
Chelf	Jenkins	Shafer
Clardy	Kearney	Sieminski
Cooley	Kersten, Wis.	Sutton
Crosser	King, Calif.	Thompson, Mich.
Dawson, Ill.	Landrum	Tuck
Dingell	Lantaff	Velde
Dollinger, N. Y.	McDonough	Walter
Donovan	Martin, Iowa	Weichel
Doyle	Morrison	Wilson, Tex.
Edmondson	Murray	Yorty
Engle	Norblad	
Fallon	O'Konski	
Feighan	Powell	

The SPEAKER. On this rollcall 365 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PUBLIC WORKS COMMITTEE

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the Subcom-

mittee on Flood Control of the Public Works Committee of the House may have permission to sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have permission to sit during general debate on the pending bill today.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

SPECIAL ORDER GRANTED

Mr. KLUCZYNSKI asked and was given permission to address the House for 1 hour on May 3, following any special orders heretofore entered, on Polish Constitution Day.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1955

Mr. WIGGLESWORTH. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 8873) making appropriations for the Department of Defense and related independent agency for the fiscal year ending June 30, 1955, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate run throughout the day, the time to be equally divided and controlled by the gentleman from Texas [Mr. MAHON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent that all members of the subcommittee in charge of this bill may have the right to extend their own remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Massachusetts [Mr. WIGGLESWORTH].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 8873, with Mr. MCCULLOCH in the chair.

The Clerk read the title of the bill.

By unanimous coinsent, the first reading of the bill was dispensed with.

Mr. WIGGLESWORTH. Mr. Chairman, I yield myself 55 minutes.

Mr. Chairman, the bill which your Committee submits to you at this time is the largest appropriation bill during the current session of the Congress. It carries a total of $28.6 billion, about 54 percent of the entire budget. It is submitted to you after about 3 months of detailed examination, including consideration of some 30 volumes of justifications reflected in hearings with some 3,700 pages.

It has been considered by a subcommittee of 9 which in turn in so far as details are concerned was broken down into 3 subcommittees, dealing respectively, with the Army, the Navy, and the Air Force.

At the outset I want to express my thanks to the other members of the subcommittee; to the gentleman from Kansas [Mr. SCRIVNER], chairman of the Subcommittee on the Air Force; to the gentleman from Michigan [Mr. FORD], chairman of the Subcommittee on the Army; to the gentleman from Maryland, [Mr. MILLER]; to the gentleman from New York, [Mr. OSTERTAG]; to the gentleman from Nebraska [Mr. HRUSKA]; to the gentleman from Texas [Mr. MAHON], the former chairman of the full subcommittee; to the gentleman from California [Mr. SHEPPARD]; and to the gentleman from Florida [Mr. SIKES].

We have all worked together for a common end and I am grateful for their consideration and cooperation.

I also want to express my thanks to the able members of our clerical staff, to Corhal Orescan, executive assistant of the committee; to Paul Wilson, Samuel Crosby, and Robert Michaels, executive assistants of the subcommittees on the Navy, the Air Force, and the Army; and to Earl Silsby, assistant clerk of the committee. Their help has been invaluable.

I also express my appreciation to the committee investigators, analysts, and consultants, including outstanding businessmen, representatives from the General Accounting Office and others, under the leadership of our chief investigator, Harris Huston, whose recommendations I am sure will contribute greatly to efficiency and economy in the long run.

Mr. Chairman, under present conditions, no country in the world can be certain of 100 percent airtight security. That day is past. But we are determined to build the nearest thing to it that is possible. We are building tremendous offensive and defensive power.

Any potential enemy must know that if it launches a war against us it will bring down upon itself fearful and immediate retaliation. Any potential enemy must know that it is foolhardy to start a war against us.

At the same time, Mr. Chairman, the new defense program reflects heartening progress toward economy and efficiency. There is no patience with the idea that it is proper to waste billions just because it is done in the name of national defense. If America is to remain strong for the long pull, defense dollars must be spent as carefully and as wisely as any other Government dollars.

The action of the Defense Establishment is paying off, not only in dollars saved but in growing military muscle. A defense establishment that is bogged down in waste and inefficiency cannot strike fast and hard when the time comes.

Mr. Chairman, I have been a frequent critic of the armed services. I have criticized them, as the Members of this House know, for lack of proper organization, for lack of proper business methods, for lack of proper control over vast funds entrusted to them, and for gross waste and extravagance.

I am happy to report to this House and to the country today that in my opinion there has been made tremendous progress in the past 15 months in determining our military policy and in organizing the Defense Department for efficient and economical operation.

As a result of this progress we have today force goals unanimously approved by our military leaders of outstanding capacity.

As a result of this progress we are able to implement those goals by an expenditure in fiscal 1955 of about $35.9 billion, or $6 billion less than required in fiscal 1953, and by new appropriations carried in this bill amounting to $28.6 billion, or $16 billion below the sum appropriated 2 years ago for fiscal 1953.

These reductions, Mr. Chairman, are largely responsible for the $7.4 billion tax reduction which the House has already voted this year, the largest tax reduction in any year in the history of this Nation.

Secretary Wilson, Deputy Secretary Kyes, whose return to private life at this time I deeply regret, and others close to them, in my judgment have been making a magnificent contribution not only to our armed services but to the solvency and strength of America and the entire free world.

Mr. Chairman, I think most of us are familiar in a general way with the military program which this bill is designed to finance.

It contemplates an overall military force as of June 30, 1955, of 3,046,000. This is a reduction in terms of average strength between fiscal 1954 and fiscal 1955 of about 234,000. It leaves us, however, with a force which is about double the force we had just prior to entry into the war with Korea.

It contemplates an Army of 1,172,000 as compared with 593,000 prior to the Korean war, an Army of 17 divisions, 18 regiments and regimental combat teams, and 122 antiaircraft battalions; an Army some 2 divisions smaller than in the current fiscal year, a decrease partially offset, however, by an increase in the National Guard, amounting to 2 divisions, 11 antiaircraft battalions, and 3 other combat battalions.

It contemplates a Navy of 689,000 as compared with 382,000 prior to Korea, a Navy with 1,060 ships in the active fleet and with 1,400 in the inactive fleet, and operating aircraft numbering just under 10,000, as compared with 600 ships in the active fleet and about 9,099 planes prior to Korea.

It contemplates a Marine Corps of 215,000 with three full-strength divisions and 3 full-strength air wings as compared with 2 divisions and 2 air wings prior to Korea.

It contemplates an Air Force of 970,000 as compared with 411,000 prior to

Korea with an active aircraft inventory just under 23,000 as compared with 12,295 prior to Korea.

In terms of wings, it contemplates an increase from 98, 15 months ago when Secretary Wilson took over, to 115 as of June 30 next, to 121 as of June 30, 1955, on up to 137 as of June 30, 1957. At the time of the outbreak of the war in Korea, we had 48 wings.

It also contemplates an increase all along the line in terms of Reserves and National Guard for the Army, Navy, Marine Corps and Air Force from about 621,000 as of June 30 last to 832,100 as of June 30, 1955.

It is made with the knowledge that there are some 4 million experienced persons in civilian life who would be eligible to serve in the event of necessity.

Under leave to extend my remarks, I include at this point in the RECORD 2 tables, one entitled "Military Personnel Strengths," the other entitled "Reserve Component Personnel in Drill-Pay Status."

Military personnel strengths

[In thousands]

	Actual, December 1953	Projected			
		June 1954	June 1955	Average strengths	
				Fiscal year 1954	Fiscal year 1955
Type of personnel:					
Officers	358.9	364.5	359.3	364.9	364.1
Enlisted personnel	3,026.9	2,945.4	2,672.9	3,051.3	2,820.0
Subtotal	3,385.8	3,309.9	3,032.2	3,416.2	3,184.1
Officer candidates	17.1	17.9	14.4	18.3	16.8
Total	3,402.9	3,327.8	3,046.6	3,434.5	3,200.9
Total personnel by service:					
Army	1,481.2	1,407.2	1,172.7	1,472.1	1,308.6
Navy	765.4	740.6	688.9	771.2	712.4
Marine Corps	243.8	225.0	215.0	241.5	220.0
Air Force	912.5	955.0	970.0	949.2	960.0

Reserve component personnel in drill-pay status

[In thousands]

	Actual				Projected			
	June 1950	December 1952	June 1953	December 1953 [1]	June 1954	June 1955	Average strength	
							Fiscal year 1954	Fiscal year 1955
Total, Department of Defense	838.8	534.0	578.0	621.6	719.0	832.1	644.9	775.0
Department of the Army:								
National Guard	326.1	228.0	256.0	277.0	300.0	325.0	277.0	312.0
Army Reserve	186.5	126.0	117.0	129.0	168.0	202.0	142.0	185.0
Department of the Navy:								
Naval Reserve	182.8	128.2	136.0	135.0	147.4	161.6	140.2	154.5
Marine Corps Reserve	39.9	13.7	19.7	23.4	30.5	42.3	25.1	36.4
Department of the Air Force:								
National Guard	45.1	26.9	35.6	40.3	50.7	65.7	42.5	58.2
Air Force Reserve	58.4	11.2	13.7	16.9	22.4	35.5	18.1	28.9

[1] Preliminary.

NOTE.—Data furnished by Office of Assistant Secretary of Defense (Comptroller).

The program has been determined in the light of world conditions, in the light of the strength of potential enemies and of our allies, in the light of the ceasefire in Korea, and the buildup of the South Korean forces, in the light of improved utilization of manpower, and of the enormous increase in firepower from modern weapons.

It is based on the essential strength to deter all-out war. It is based on essential strength to deal with less serious situations.

To quote Admiral Radford, our very able Chairman of the Joint Chiefs of Staff:

Our military task consists of two requirements. We must be ready for tremendous, vast retaliatory, and counteroffensive blows in the event of global war, and we must also be ready for lesser military actions short of all-out war.

Our planning does not subscribe to the thinking that the ability to deliver massive atomic retaliation is by itself adequate to meet all our security needs. It is not correct to say we are relying exclusively on one weapon or on one service, or that we are anticipating one kind of war. I believe that this Nation could be a prisoner of its own military posture if it had no capability other than one to deliver a massive atomic attack.

It should be evident from the forces we intend to maintain that we are not relying solely upon airpower. We shall continue to have over a million men in our Army, and we shall continue to have a Navy that is second to none. We have never before attempted to keep forces of this size over an indefinite period of time.

Mr. Chairman, it is repeatedly emphasized in the hearings that despite budget and manpower cuts, increased combat effectiveness is possible. If I may quote from Admiral Radford once again:

When you improve your weapons and equipment as greatly as we have in the past decade, you are bound to create a greater combat power even with less manpower.

Mr. Chairman, this military program has the unanimous endorsement of the Joint Chiefs of Staff, of the National Security Council, and of our great President of the United States with his vast military experience and knowledge of world conditions.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I am glad to yield to my colleague from Massachusetts.

Mr. McCORMACK. In connection with the statement just made that it has the unanimous recommendation of the Joint Chiefs of Staff, does the gentleman know whether or not it was the original recommendation of the Joint Chiefs of Staff?

Mr. WIGGLESWORTH. I know that each member of the Joint Chiefs of Staff and also General Shepherd, the Commandant of the Marine Corps, appeared before our committee and stated that the program outlined has the unanimous endorsement of the Joint Chiefs of Staff.

Mr. McCORMACK. Was any inquiry made as to whether or not the Joint Chiefs of Staff had sent up to the Secretary of Defense and the National Security Council any other recommendation in relation to the Army and Navy, particularly the Army?

Mr. WIGGLESWORTH. I do not know specifically what the gentleman has in mind. I think as a general rule in respect to every appropriation bill that comes before the Congress there is discussion of different figures before final figures are arrived at.

Mr. McCORMACK. My understanding was that a much higher budget recommendation was sent by the Joint Chiefs of Staff and that it was sent back by the Secretary of Defense, with orders to reduce. Take the matter of the 137-wing Air Force which we Democrats fought for last year; that meant larger appropriations, yet they had to keep it within a certain mandated figure, and that is how we got the reduction in the Army. That is my understanding, and I would like to have some information on it, because it certainly ought to be explored.

Mr. WIGGLESWORTH. I will say to my friend from Massachusetts that over the course of a great many years the original figures requested have not been the final figures settled upon, in most instances. All I know is that we have the unanimous endorsement of the program I have referred to.

Mr. McCORMACK. I think the gentleman certainly is correct that it is now a unanimous recommendation, but I certainly challenge the gentleman's state-

ment that the original recommendation was unanimous. I have information that it was not the original recommendation of the Joint Chiefs of Staff, and that when it got to the Secretary of Defense he ordered it sent back with orders to reduce.

Mr. WIGGLESWORTH. I do not think I can add anything to what I have already stated. I think that over the years, as the gentleman remembers, many original requests submitted have been reduced before presentation to the Congress. Just what the facts are in that respect on this occasion I cannot state.

Now Mr. Chairman, if the Members will look at page 2 of the committee report they will see that the budget request to implement this program was $29.8 billion. This figure compares with $34.3 billion in the current fiscal year and $44.7 billion in fiscal 1953.

Your committee recommends an appropriation of $28.6 billion, a reduction of $1.2 billion, or just about 4 percent.

Of that $1.2 billion, $665 million represents what may be called the cooperative efforts of the committee and the administration—in other words, reductions which have either been volunteered or agreed to since the start of the hearings—leaving a balance of $541 million, or a little less than 2 percent of the overall request.

In addition, your committee recommends recisions to the extent of $1.6 billion, with which the armed services are in accord.

In addition to this, there might well be included, although it is not mentioned in the committee report, an item of $250 million heretofore carried as a contingent item for reserve facilities and tools, against which nothing has been drawn in the current fiscal year, in respect to which there are no plans to draw anything in the fiscal year 1955, and for the purpose of which funds are available if necessary in the appropriations of the three armed services. Your committee has discontinued the availability of that $250 million.

Under leave to extend my remarks, I include at this point in the RECORD, the table on page 2 of the committee report:

Summary of appropriations

Title	Appropriations, 1954	Budget estimates, 1955	Recommended in bill, 1955	Bill compared with—	
				Appropriations, 1954	Budget estimates, 1955
Title I—National Security Training Commission	$55,000	$55,000	$55,000		
Title II—Office of the Secretary of Defense	13,250,000	13,500,000	12,500,000	−$750,000	−$1,000,000
Title III—Interservice activities	756,300,000	547,500,000	527,500,000	−228,800,000	−20,000,000
Title IV—Department of the Army	[1]12,937,406,000	8,211,000,000	7,615,523,000	−5,321,883,000	−595,477,000
Title V—Department of the Navy	9,438,310,000	9,915,000,000	9,705,818,500	+267,508,500	−209,181,500
Title VI—Department of the Air Force	11,168,000,000	11,200,000,000	10,819,310,000	−348,690,000	−380,690,000
Total	34,313,321,000	29,887,055,000	28,680,706,500	−5,632,614,500	−1,206,348,500

[1] Excludes $58,000,000 for civilian relief in Korea.

NOTE.—In addition to the above reduction, the following rescissions are made:
Procurement and production, Army, $500,000,000.
Stock funds $550,000,000, as follows: Army, $300,000,000; Navy, $200,000,000; Marine Corps, $25,000,000; Air Force, $25,000,000.

If you will turn to page 4 of the committee report you will notice two brief tables. The one at the bottom of the page deals with unexpended balances, the one at the top of the page deals with unobligated balances.

Under leave to extend my remarks, I include at this point in the RECORD the tables referred to:

EXPENDITURE SUMMARY

Funds available for expenditure and expenditures by the Department during fiscal years 1953, 1954, and 1955 are given below:

[In millions]

Fiscal year	Unexpended carryover	New availability	Transfers (net)	Total available	Expenditures
1953	[1] $54,798	$44,740	----------	$99,538	$41,739
1954 [2]	[1] 57,111	34,261	−$730	90,642	39,939
1955 [2]	[1] 48,147	28,727	----------	76,874	([3])

[1] Exclude amounts which lapse.
[2] Estimate.
[3] Budget estimate of $35,955 million will be reduced by an amount indeterminable at this time, based on committee reduction of $1,203 million in funds requested.

Obligations summary

[In millions]

Fiscal year	Unobligated carryover	New authority	Reimbursements and transfers (net)	Total available	Obligations
1953	[1] $4,034	$44,602	$1,975	$50,611	$43,640
1954 [2]	[1] 6,129	34,233	2,044	42,406	31,292
1955 [2]	[1] 9,348	28,681	1,757	39,786	([3])

[1] Exclude amounts which lapse.
[2] Estimate.
[3] Budget estimate is $35,710 million.

Attention is called to the fact that for both fiscal years 1954 and 1955 the latest available obligation estimates are used in the above tabulation. The original obligations for 1954 as contained in the printed budget amount to $34,133 million, as compared with the $31,292 million shown above.

The unobligated carryover into fiscal year 1955 is budgeted at $6,639 million, with total obligations of $35,710 million. The latest reports from the Department indicate that the unobligated carryover into 1955 will be $9,348 million, with obligations estimated at $38,168 million. The committee is informed that the increase in the estimated carryover into 1955 results primarily from the deobligation of obligations formerly recorded on the basis of letters of intent, etc., in order to conform with a determined concept of legal obligations following an audit by the General Accounting Office. A certain presently indeterminable amount was also deobligated because of contract cancellations due to reprograming. The total of such deobligations during 1954 is estimated at $2,581 million.

It is the view of the Department that actual programs for both fiscal years 1954 and 1955, involving obligations of approximately $70 billion, have not been materially affected by the lag during 1954 and that in the final analysis this 2-year program will be fulfilled or nearly fulfilled on schedule.

Obligations for 1955 will be reduced by an amount not precisely determinable at this time, based on committee reduction of $1,203 million in funds requested.

If you will follow the figures in the expenditure summary you will see that in addition to the $28.6 billion recommended by your committee, there will be available as a result of unexpended funds carried over into fiscal 1955 the sum of $48.1 billion, giving a total available for the fiscal year of $76.8 billion. If you subtract the $35.9 billion, the budget estimate for expenditures in the footnote just below the table, from that $76.8 billion, you will see that there is an estimated $40.9 billion which will carry over into fiscal 1956.

The obligation summary as revised indicates that of the $40.9 billion, about $2.7 billion will be unobligated.

Tables furnished the committee give a similar picture with respect to each of the three branches of the armed services.

I repeat, Mr. Chairman, that the program now under consideration calls for an expenditure in the fiscal year 1955 of $6 billion less than in 1953 and for an appropriation at this time of $16 billion less than that for 1953.

What has taken place to make these reductions possible? What has happened in the last 15 months that has taken us thus far along the road to efficiency and economy?

Secretary Wilson says:

It is hard to point out some things because real progress is made by doing thousands of things better.

He says:

There is economy in planning, economy in programing, and economy in operation.

He says further:

The objective is to achieve more defense for every dollar spent.

And:

There is no fallacy in this idea. It is being achieved and more can and will be accomplished.

Mr. Chairman, if you want an example or two of more-defense-for-every-dollar-spent, I may mention the Air Force that the gentleman from Massachusetts [Mr. MCCORMACK] referred to.

The Air Force is going to have 115 fighter wings by June 30, 1954, instead of 110. It is going to have 120 by June 30, 1955 instead of 115. And, Mr. Chairman, it is going to operate those 115 wings available June 30, 1954, with 76,000

less personnel than it was thought would be required a year ago this time.

If you want another example, I may cite the Marine Corps, where there is an over-all reduction of 10,000 people in fiscal 1955 in contemplation. Despite that reduction, the Fleet Marine Force is going to be increased by 6,300. In other words, the fighting force goes up 6,300, and they have found about 16,300 persons in other capacities that can be dispensed with.

I might also mention the MSTS, which is effecting a saving of about $250 million a year as the result of the application of business methods, leading to substantial reductions in rates, for both passenger and freight traffic.

Now, Mr. Chairman, I am not going to attempt to go into detail as to what has been accomplished toward economy and efficiency in the last 15 months, but I do, before closing, want to refer to a few of the points which appear to be outstanding from the record.

First. Under the Reorganization Act, organizational lines and responsibilities have been clarified in the hands of 9 Assistant Secretaries of Defense and a general counsel of equivalent rank under Secretary Wilson and Deputy Secretary Kyes.

Second. The Munitions Board, the Research and Development Board, the Air Force Medical Policy Council, and the Management Committee have been eliminated as the result of which the use of boards to perform executive responsibilities under the Secretary of Defense have been eliminated.

Third. Of 365 boards, committees, and subcommittees operating on February 28, 1953, under various agencies of the Office of the Secretary of Defense, employing in addition to staff some 4,290 part-time workers, 208, or almost two-thirds of them, employing 2,265 part-time workers, have been eliminated. A further decrease in this field is anticipated.

Fourth. The administrative structure of the three armed services has been reviewed and improved.

Fifth. Civilian personnel in the first 11 months was reduced to the extent of 150,357 persons.

Sixth. Military personnel has also been reduced partly as the result of a review of more than 5,000 tables of organization which disclosed no less than 160,000 noncombat spaces, 91,000 of which were transferred to active duty, 69,000 of which were eliminated.

Seventh. Secretary Wilson reports that equipment and construction of base programs were out of phase with personnel and training programs and that the realinement of programs made possible a very sizable reduction in the requirements for new money.

Eighth. He refers also to the increased use of stock funds and industrial funds with savings to the country.

Ninth. He refers to Operation Clean-Sweep—an operation set up to expedite the disposal of the enormous quantities we now have on hand of surplus property.

Tenth. Finally, Mr. Chairman, I want to refer to one other matter which, to me, as a member of the Appropriations Committee, is of particular significance. Secretary Wilson says:

> Management of the huge inventories of equipment and supplies has been a particularly troublesome problem for years.
>
> The lack of adequate financial control in this area has been particularly costly.
>
> Although the Navy has employed a financial property accounting system for years, the Army and Air Force have not.
>
> Special attention is now being given to the establishment of such systems in both the Army and the Air Force.

Listen for a moment to Mr. Pearson, Deputy Under Secretary of the Army, in this connection:

> No one knows the value of Army inventories. The total on hand and on order is probably between $35 billion and $40 billion—equivalent in value to the total of all inventories of all retailers of all things in the United States.
>
> The Army has had no accounting means of regularly ascertaining the value of its inventory assets.
>
> In short, it did not possess even the most rudimentary records with which to measure progress and to defend programs.
>
> Nor did it utilize any of the modern methods in fiscal control of inventories and related procurement actions.

Mr. Chairman, I am glad to be able to report that the Army expects to have a system in effect by June 30 next under which it will receive monthly reports, within 30 days of the conclusion of the month, broken down into 315 categories, in respect to all items on hand and on order for every bulk station worldwide.

I am also happy to report that the Air Force is engaged in similar work and that it expects to have a financial property accounting system in operation by the end of the calendar year.

Under leave to extend my remarks, I include at this point in the RECORD a letter addressed to me under date of April 21, 1954, by Assistant Secretary White, of the Air Force:

DEPARTMENT OF THE AIR FORCE,
Washington, April 21, 1954.

Hon. RICHARD B. WIGGLESWORTH,
Committee on Appropriations,
House of Representatives.

DEAR MR. WIGGLESWORTH: Last week, when we were discussing the spare parts situation, I mentioned briefly the work we are doing to improve our supply management. You asked me to describe the new dollar inventory control procedures and tell you what additional data you will have with which to better appraise our supply activity and position at any time.

We began a program in January 1953 to actually install dollar inventory accounting in the Air Force. As of April 1, 1954, this system was installed in all Air Force depots within the continental United States and in all Air Force bases worldwide. It will include all inventories of supplies in Air Force warehouses held by depot supply officers and base supply officers as available to Air Force activities for either consumption or use. Financial statements are to be taken from the records showing the following information in detail down to individual property class (administrative segregation of homogeneous groupings of like items) level: Beginning inventory; additions to the inventory by source; withdrawals from the inventory by disposition; adjustments to the inventory; and ending inventory position.

As far as the on-hand inventory position of the Air Force is concerned the only supplies not included in this system are those items held in overseas depots. Plans are being made to install this system in the overseas depots before the end of this calendar year. When this is completed all current inventories in the hands of the Air Force will be under dollar control from the time they are received into the Air Force depot system until such time as final disposition thereof is made.

Action is now being taken to "stratify" this inventory for management purposes which will reflect that portion of the inventory which is applicable to—

1. Current operating program;
2. Mobilization reserve program;
3. Mutual defense assistance program;
4. Items applicable to future programs and contingency spares; and
5. Excess items.

This information will provide managers at all levels of command with information against which the operating programs of the Air Force may be measured. A probable minimum of about 6 months will be required to establish general uniformity and the resultant capability for consolidation and overall review.

The system will also furnish Congress with summary information whereby the asset position of the Air Force may be analyzed with regard not only to past operations but also to future programs.

I would like to emphasize that monetary inventory accounting is only one segment of an overall financial control plan which the Air Force is pursuing vigorously. Under this plan we will have an integrated accounting system with complete control data on all assets, liabilities, income, and expenses. The request for appropriations resulting from this system will be based upon management-type budgets, synchronized with accounting data used for control purposes and fully supported by operating details. The total funds requested will be the aggregate of the amounts required for acquisition of aircraft, real property, other equipment, the total operating expense budget, and the estimated change in inventory levels—reduced by the unobligated balances of prior appropriations, and estimated revenues. This will give the Congress a complete annual review of the entire status of Air Force obligating authority. This appropriation technique has the advantage of simplicity, permits installation of modern accounting procedures, establishes a basis for the parallel structure of financial reports and management responsibility, and increases the utility of financial reporting to both internal management and the Congress. Three Air Force bases now are testing procedures developed under this plan. Some of the accounting procedures will be installed Air Force wide next July. It is expected that the complete accounting system will be in operation throughout the Air Force in 1957.

At our Sacramento depot we are installing a standard cost-accounting system which supplements the general accounting system contemplated in the financial control plan I have described briefly. In addition, we are installing at this depot a production control system and a system of labor distribution which tie into the cost-accounting system. A work-measurement program, under which standards are being developed, is well underway in all Air Materiel Command depots. It is expected that the entire standard cost accounting, labor distribution, production control, and work-measurement program will be in operation in all depots in July 1955. These systems will provide management with creditable data with which better to control and operate our maintenance activities.

I have sent a similar letter to Mr. TABER.

Sincerely yours,

H. LEE WHITE,
Assistant Secretary of the Air Force.

In my judgment, the importance of this matter cannot possibly be overemphasized. Proper control is absolutely impossible in the absence of reliable inventory figures.

The record indicates that the entire problem of financial control is still under study by a commission of eminent businessmen and industrialists appointed last August by Secretary Wilson and known as the Cooper committee.

I call the attention of the Congress and the country to pages 16 to 40 of volume I of the defense hearings in which will be found in greater detail from Secretary Wilson and from the three branches of the armed services a record of the steps that have been taken in the last 15 months with a view to economy and efficiency.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Iowa.

Mr. GROSS. Referring to page 18 of the bill, "Shipbuilding and conversion," am I correct in assuming that more than $4 billion is made available for shipbuilding and conversion in the next fiscal year?

Mr. WIGGLESWORTH. The shipbuilding and conversion figure is $1,042,400,000.

Mr. SCRIVNER. If the gentleman will yield, my understanding of the $4 billion that is mentioned here is that that is a limitation of the funds appropriated in fiscal years 1952 to 1955, inclusive. It is a limitation on the funds provided in those years.

Mr. GROSS. But $4 billion can be expended.

That leads to the next question: Are we building ships in foreign yards today for the military of this country?

Mr. WIGGLESWORTH. Not under this appropriation.

Mr. GROSS. But we have been building ships in foreign yards?

Mr. WIGGLESWORTH. My understanding is that there is construction going on under funds appropriated under the foreign-aid bill.

Mr. GROSS. But not under the money appropriated by the Appropriations Committee?

Mr. WIGGLESWORTH. Under a different bill, not under the armed services bill.

Mr. Chairman, may I just say in conclusion that Secretary Wilson states that—

> A good start has been made but that still further economy and efficiency must be achieved during the coming year.

I am sure the members of your committee agree.

Personally, I think a magnificent start has been made, and I recognize that much remains to be done.

In the committee report you will find set out some of the areas which have been giving the committee principal concern.

There is much still to be done, but in view of the record of the past 15 months I think there is every reason for confidence that what must be done will be done in the months that lie ahead.

Mr. Chairman, the bill which your committee submits at this time is of vital importance not only to our own country but the entire free world.

The new program which it implements holds the key to the country's long-term safety at a price we can afford to pay. As long as the Kremlin holds to its scheme for world domination we cannot relax our defense efforts. But with the right defense program and with the right men carrying it out we can and we shall maintain the necessary strength for as long as it may be essential.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. ROGERS of Colorado. Directing the gentleman's attention to page 42 of the committee report as it deals with the Reserve personnel of the Air Force, you make the statement:

> For these activities the committee recommends the $28 million which is the amount of the Air Force budget request. This amount is about $3 million more than it is estimated will be obligated during fiscal 1954, and will provide for the anticipated growth in Air Reserve activities.

The reason I direct this to the gentleman's attention is that it has been brought to my attention the Air Force has notified those members of the ROTC who would ordinarily be entitled to a commission in the Reserve forces upon graduation from school next June will not receive their commissions. Was that matter ever directed to the attention of this subcommittee?

Mr. WIGGLESWORTH. I am very sure it was gone into very thoroughly. I yield to the gentleman from Kansas who is chairman of the subcommittee for the Air Force for a more specific reply.

Mr. SCRIVNER. Generally speaking, the money which you are referring to in the report on page 42 does not greatly concern the Air Force ROTC. If you will turn to the hearings, you will find that matter was completely discussed in every detail by Assistant Secretary of Defense Hannah, and you will find that a situation had arisen which had its inception last year, namely, that this ROTC program had been set up in years past when there was no idea that they would ever be called upon to operate at the same time that the Draft Act was in effect. They had contemplated and set up more Reserve commissions than they had any use for. These men had been deferred from military service while other young men in the country had been over in Korea fighting, some of whom did not return. The decision was made by the Defense Department—not by the committee—that these men should serve their country. There were not enough vacant berths to give them all commissions. The great need in the Air Force is for pilots. So the program established was for those who stated that they would become pilots, the Air Force Reserve training in the ROTC would be continued, but that the others would serve their time as noncommissioned men or in the enlisted ranks and at the termination of their 2 years of service, just as they always have under the Selective Service Act—while the kid across the street who was not able to go to school and who did not get deferred—but at the end of 2 years of service, they would be given a Reserve commission.

Mr. ROGERS of Colorado. Do I understand from your explanation that Secretary Hannah told the committee it was not the intention of the Air Force to issue the commissions in the Reserve that they had promised these men when they enrolled in it some 4 years ago?

Mr. SCRIVNER. At the present time.

Mr. ROGERS of Colorado. At the present time?

Mr. SCRIVNER. That is right.

Mr. ROGERS of Colorado. And is there any reason why they should not be granted a commission at the present time, or did he set that forth?

Mr. SCRIVNER. That was fully discussed, and I think if the gentleman will be patient, he will hear a rather detailed discussion of that whole program as the other members of the committee refer to it, and if my reference is correct, I think you will see some of the discussion of this question in the hearings starting on pages 27 and 101.

Mr. ROGERS of Colorado. Do I understand the gentleman will take the floor and explain that?

Mr. SCRIVNER. Probably all of us will discuss it, but in the meantime, if you will pick up the hearings on the Department of the Air Force, and turn to pages 27 and 101, you will see there a fairly full and complete statement of the situation which we have just been discussing.

Mr. ROGERS of Colorado. Then, I take it from your statement that in spite of the promise made to the men who enlisted in the ROTC and carried out their obligation during the 4-year period, they will not be granted their commission?

Mr. SCRIVNER. Many of them will not be presently granted commissions until they have completed their 2 years of service in the enlisted ranks.

Mr. ROGERS of Colorado. Is there any explanation that has been made to the committee that they had told these men in the field or in school that the reason that they were not doing it was because the Congress of the United States had cut the appropriation and prohibited them from doing it?

Mr. SCRIVNER. No; I do not know that any such statement as that has been made.

Mr. ROGERS of Colorado. Have they passed out any such information?

Mr. SCRIVNER. It is not due to a lack of funds.

Mr. ROGERS of Colorado. It was not due to a lack of funds? Any information passed out by the Air Force to that effect is not true.

Mr. SCRIVNER. I would want to read the statement made so that I would know exactly what was said, but it is not due to lack of congressional appropriations.

Mr. ROGERS of Colorado. No.

Mr. COUDERT. Mr Chairman, will the gentleman yield?

Mr WIGGLESWORTH. I yield.

Mr. COUDERT. Mr. Chairman, in examining the bill I find nothing in its present form that imposes any limitation upon the use of these funds by the Executive that would in any way limit the power of the Executive to commit the United States to war such as Korea or Indochina without the consent of Congress. If there is no such provision in the bill then I would like to take this occasion to advise the House that I shall offer an amendment limiting the use of the funds appropriated by this act so that they may not be used for maintaining uniformed forces of the United States in any armed conflict anywhere in the world without either a declaration of war or other authorization of the Congress, or in the event of an attack upon the United States, its Territories or possessions, or an attack upon any nation with which the United States has a mutual defense or security treaty. I thank the gentleman.

Mr. WIGGLESWORTH. I may say, Mr. Chairman, that I hope most sincerely that the gentleman from New York will reconsider his present intention. I think it would be most inadvisable, most unwise in view of the situation which now confronts us worldwide.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Iowa.

Mr. GROSS. I want to get clear this shipbuilding proposition. If we are building ships in foreign yards out of FOA money, Foreign Operations money, an item the gentleman was speaking of a moment ago, then this bill does not represent the total expenditure upon the various branches of the military service, does it?

Mr. WIGGLESWORTH. The ships that we are building under FOA money, as I understand it, are not for ourselves but are for our allies; they are part of the military aid which is being contributed to various nations abroad.

Mr. GROSS. I do not want to argue with the gentleman, but it is my understanding that they are building Navy ships, ships for the use of the American Navy in foreign yards.

Mr. WIGGLESWORTH. That is not my understanding.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. BONNER. In connection with the gentleman's statement, let me say that Admiral Leggett, appearing before the Committee on Merchant Marine and Fisheries this morning, discussed the matter. The gentleman is talking about the use of $50 million or more of mutual aid funds allocated for the construction of ships—foreign. That has been cut, so Admiral Leahy stated—to $31 million; and these vessels are for the NATO navy, they are not used at all in the American Merchant Marine or the American Navy—vessels built abroad.

Mr. GROSS. But they are funds supplied by American taxpayers.

Mr. BONNER. They are funds supplied by the Mutual Defense program for the rehabilitation of our allies abroad. This amount was set aside to build vessels abroad, war type of vessels; they are minesweepers and small vessels to be used by the Allied forces abroad and not by the American forces, strictly speaking.

Mr. GROSS. But the point I am trying to make is that these descriptions do not represent accurately the cost of the various military projects to the taxpayers of this country.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to my colleague from California.

Mr. SHEPPARD. I wish to say this to the gentleman, if I may, please, that when you include all of the external appropriations, and by external appropriations I mean the moneys that go to European assistance, then your conclusion would be correct. But we do not do that. Under the military appropriation bill that is segregated.

Mr. GROSS. I understand.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield.

Mr. CURTIS of Missouri. In reference to the report, page 6, the topic of reenlistment, I am interested in reference to this statement:

> Warfare and implements of warfare are becoming increasingly technical and complex. Training is becoming increasingly expensive. It is hoped that the Department will soon be in position to present to the Congress its recommendations for legislative or other action which would tend to strengthen this phase of our national security.

Last year I had occasion to go before the Appropriations Committee with reference to vocational education. The point I made there was that it seemed to me our military establishments were not using the civilian vocational educational system such as we have, including the classrooms and expensive equipment, and, in fact, were duplicating those classrooms, indeed competing for the teachers in them.

I was wondering whether the gentleman's committee in its breakdown into the Army, Navy, and Air Force subcommittees had gone into the aspects of the cost of this technical training? A great deal of it is a duplication of what we have going on in connection with vocational education throughout the country, the civilian type skilled jobs, electrician training, and so forth. I am wondering whether the committee in a general way has gone into that or whether I had better direct my questions to each of the chairmen of the subcommittees in regard to each of the services.

Mr. WIGGLESWORTH. The committee is keenly alive to the general situation referred to. It is anticipated, as the gentleman points out, that there will be a program from the armed services designed to meet the difficulty in regard to reenlistments. I cannot answer the gentleman's question specifically on the point which he has in mind.

Mr. CURTIS of Missouri. I have had an opportunity to inspect quite a number of military establishments, with particular reference to technical training, the classroom setup and the equipment that goes into it. It is an expensive process and, of course, that expense will continue; but the alarm I have is the failure to utilize what we already have and the duplication of that kind of training. I think there would be room for vast savings by considering the two programs together, the military training program and our vocational education program which we have in our civilian society.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from West Virginia.

Mr. BAILEY. I would like to ask the distinguished gentleman from Massachusetts if some member of the subcommittee will give us the details in connection with the comments on page 6 of the report under the title "Reserve Programs." I have a protest from the adjutant general of West Virginia saying that you have reduced the item of armory construction and nonarmory construction entirely too much. If someone will be kind enough to do so, I would like to have the reasons that were given.

Mr. WIGGLESWORTH. If I understand the gentleman's question properly, the gentleman from Michigan [Mr. FORD], chairman of the Subcommittee on the Army, will deal with it later in more detail. My understanding is that every single dollar requested has been made available and that some $2 million in excess of planned obligations will result.

Mr. BAILEY. I would appreciate it if somebody will give us the information as to the committee's action.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from North Carolina.

Mr. BONNER. I was off the floor at the time the gentleman dealt with supply and management, and efficiency in the armed services. Did I understand the gentleman to refer to the catalog system that has been so persistently dealt with in years past, and that it was coming to fruition and would be operative so that various departments of the national defense could interchange materials instead of one department declaring it surplus and another department buying it?

Mr. WIGGLESWORTH. No. I will say to the gentleman I was referring to a broader aspect of the matter than that to which he refers. I was referring to the overall system of inventory control, to financial property accounting which has been so sadly lacking in the past, particularly in the Army and the Air Force, and which is now being put into force to be operative by the end of the calendar year.

Mr. BONNER. Does the gentleman know anything at all about the integration of the supplies so as to interchange them between the services and utilize them to the fullest extent?

Mr. WIGGLESWORTH. I think the gentleman can obtain probably better information on that as the discussion of the individual armed services is taken up.

Mr. BONNER. I do not want to be persistent, but the gentleman must appreciate the fact that I and other Members of this House gave a great deal of time to this very subject. Now, the

medical supply system, the test that was set up at Alameda and proved so successful, are the armed services going to have one medical supply system, or is it going to be scattered all over the face of the earth among the various services, bringing about waste and inefficiency as it has in the past?

Mr. WIGGLESWORTH. I will say to the gentleman that I do not know whether I can give him a specific answer. The matter has been taken up in committee. It has been discussed with the members of the armed services. I know in a general way the matter has been given consideration, and I hope where the principle recommended is valid that it will be put into effect.

Mr. BONNER. On the first of this year I wrote the Secretary of Defense and asked him this question, and as of now I have not gotten a reply. It is a known fact that the Alameda test was successful. We are all interested in this. There is nothing political about it.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. I yield to the gentleman from Michigan.

Mr. FORD. It was brought out in the testimony before the Army panel that the program at Alameda was most successful. The Surgeon General of the Army informed our panel that it was expected that that program would be implemented all over the United States within, I believe, the next fiscal year.

Mr. BONNER. And that you were going to consolidate this supply system?

Mr. FORD. That is right.

Mr. BONNER. And have one service to serve all the branches?

Mr. FORD. That is correct.

Mr. BONNER. You will save millions of dollars if that is the fact.

Mr. WIGGLESWORTH. I thank the gentleman.

Mr. MAHON. Mr. Chairman, I yield myself 35 minutes.

Mr. Chairman, I well recognize that nothing contributes so much in dullness to a speech than the recitation of figures and columns of figures, but it is, of course, impossible to discuss a bill of this character without some reference to the figures having to do with the bill. The able chairman of the subcommittee has given some very helpful information in regard to the details of the bill, and to all Members I would like to commend the report which gives information in considerable detail. In the first part of the hearings where the full subcommittee heard the Secretary of Defense, the Comptroller, the Secretaries of the Army, Navy, and Air Force, the Chiefs of Staff, the Joint Chiefs, and other top officials, the questions asked and the responses given are quite comprehensive and will, I believe, be quite helpful to Members who are interested in this legislation.

Mr. Chairman, a bill of this kind is never political in nature. It is true that there are sometimes clashes of views among the Democrats and among the Republicans and sometimes members of one party line up more or less on one side and members of the other party on the other side of an issue, but that is the exception and not the rule. For example, last year we had a very warm controversy in regard to the adequacy of the program for the Air Force. We do not have that controversy this year, because the Air Force has now been rather well taken care of. I might say in fairness that the position which some of us took last year has been thoroughly vindicated, in my judgment. That is a matter about which reasonable men may differ, but as evidence of the accuracy of my analysis, the Air Force is quite happy this year over the action of the budget, and I dare say, generally speaking, over the action of the committee. This indicates that what the Air Force did not get last year, and was unhappy about, it got this year and is happy about it. This appears to be a good omen.

The fact is that generally speaking the services are happy about the budget submitted to the Congress this year. I cannot vouchsafe that the fact that the services are happy means that everything is just as it should be. It might very well be, if the services were quite unhappy, we might have a healthier and a better situation. I am not vouching for the interpretation that we should give to that situation.

I say the services are happy. The Army has been most unhappy about the budget estimate this year. Secretary Stevens, in testifying before our committee earlier in the year, at a time when he was not employed as he is now, showed a great deal of concern about the reductions in the Army budget. General Ridgway expressed a similar concern. But, like good soldiers, they have gone along with the team, which was all they could do, and which, under the circumstances, they should have done, in my judgment. It remains to be seen whether the New Look, insofar as the Army is concerned, is valid. It may be that it will be necessary to have a new look at the New Look as we move along through the tangled international situation which confronts our country and the world.

Members of the House generally do not have the time to read the thousands of pages of testimony that is available. Members like to have a firm rock upon which they can stand and defend themselves before their constituents and before their consciences, if I may say so. There is a firm rock provided here for those who wish to trust the judgment of a very able and efficient civilian and military team.

The President of the United States, in his budget message, made the following statement in connection with the military budget:

It provides adequately—

Says President Eisenhower—

in my judgment for the national defense and the international responsibilities of the Nation—responsibilities which we must undertake as a leader in the free world.

So you can place your feet on that statement by the President, and I, for one, have great confidence in President Eisenhower, especially in this field. I recognize that he has been wrong before. You and I have been wrong before. No one is infallible. But certainly I think we must recognize that one of the foremost figures in the world today whose judgment we should seriously consider is our own able President.

I do not have a similar confidence in the military judgment of the Secretary of Defense, Mr. Wilson. He is not a military man. I am sure he would not want to pose as a military man, but I have much respect for his ability in the field of management. I think he is utterly sincere in the position which he has taken. I think he has had at his fingertips from reliable sources the best help that is available in our country. I think the information and advice which he has had have been worthwhile. Based upon that sort of background, he has said to the Congress with respect to the military budget:

It provides for a military strength which will be adequate—

There is no quibbling there—

for the security of the United States in cooperation with other nations of the free world under the conditions that we can foresee today.

So it is against the backdrop of those statements that this budget came to the committee and comes to you today in the House.

I will have to admit that I somewhat challenged the statement of the Secretary of Defense in his unequivocal statement as to the adequacy of the military budget, but I am willing to agree that no man here or elsewhere can establish with complete certainty, and in detail, just what the military budget ought to be. No man can draw back the veil of the future and tell us precisely what the future holds.

If we mean by an adequate military budget that we are able to defend ourselves at a moment's notice against seriout hurt and injury from a foreign attack, then I say that this military budget is wholly inadequate. I add, however, that, in my judgment, it is not possible to maintain a position where we can completely defend our country against any willful and determined attack which could be made against us. I mean, we cannot defend ourselves without considerable loss. So it is up to our military team, the Joint Chiefs, the President and his civilian helpers, the Secretary of Defense, and others, to present to us what, in their judgment, is the best military budget that can be devised.

I am not one of those in our land who has lost faith in everybody and everything. I have faith in our President and in the Joint Chiefs of Staff and in the civilian leaders in the Pentagon, in this: That they are doing the best they honestly can to provide a program that is for the best interests of this country.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I recognize we have great offensive power, and of course we have had that for a long while, but I am very much concerned about the possibility of an attack upon us. Of course, any sneak attack will come from the other side. Democracies do not engage in sneak attacks. I will not argue whether democracies should or not, but they do not. What is the situation in

relation to defending our cities and our people?

I realize there probably is no total defense, but I have heard only within recent weeks the Administrator of Civilian Defense say we have 15 minutes' notice. That means a sneak plane would be about 60 to 75 miles outside of Boston, for example, or Washington, if we construe it right. His deputy said the same thing. The chairman of the Committee on Armed Services not so long ago said, as I remember, that 60 percent of the attacking planes could get through. The Secretary of Defense said several months ago that 70 percent could get through. Others say that we can by proper defense reduce that to between 5 and 10 percent, which makes a big difference. Those things concern me. I wonder if the gentleman can give us any enlightenment on that.

Mr. MAHON. I can give the gentleman some opinions, which largely will be my own. The gentleman has posed the most important question, in many ways, which confronts the American people.

Any public official or private citizen who does not at times think seriously and soberly about the vulnerability of this country to foreign attack has his head in the sand, in my judgment, and is not thinking realistically. After I have made a few other comments, I would like to come to the question—the very important question—which has been propounded by the distinguished gentleman from Massachusetts.

When one approaches a military budget, he has to do it with a certain attitude of mind and a certain philosophy. The philosophy behind this bill in the eyes of our planners is that up to a point it is sufficient to deter the aggressor. It is sufficient to prevent disaster in the event of a sneak attack or any attack upon us. It is sufficient to give us or help us sustain the broad base from which we would prepare to launch an unstoppable counter offensive and sweep ultimately to military victory. That is the philosophy which was behind the budget last year, the year before, the year before that and this year. It is not a bad philosophy. It contemplates this: That the budget is large enough to do the things that I have suggested—and yet small enough to be met by the taxpayer over a fairly long haul without the economic collapse of this country. That, of course, is an important factor because we must consider economic matters as well as military matters, if we would look truly to the defense of our country.

There were some reductions made in the bill—no very deep, sharp slashes. I might make some reference to what I think the validity of these reductions may be. Personally, I would not have reduced research and development as it has been in the bill. It was not a great reduction, but I would not have refused the full budget estimate for fuel for the Air Force and I would not have made some other changes which were made. But, I expect to offer no amendments to this bill. I think the committee has done the best it could under the circumstances with the proposals which were presented. Of course, if Indochina should be the forerunner to a big, hot war or a little, hot war, we would realize that we are making a mistake in our Army program—in my judgment. But who knows just what the answers may be there. The philosophy behind this bill is that it is not for today or for tomorrow, but for the long haul of a period of years. Based upon that philosophy, it can be defended. It is not the budget that perhaps some of you would write or the budget I would write, but it is based upon a very valid degree of judgment.

After World War II, we let our military budget slip way down to about $13 billion hoping that the marvelous and glorious days of peace were here for a few decades. But, we were in error. Then, beginning with the Korean war we launched a terriffic buildup; it was a crash program. Some of the ablest civilians and military leaders in this country thought we might very probably be in a big war almost over night. With that sort of situation confronting us we went into a crash program, with the building of bases in North Africa and other outlying areas—the building up of our military forces at home and elsewhere. There was considerable waste in that buildup by reason of the magnitude of the work that had to be done. I think it might very well be argued that the crash program which did precipitate some waste was probably responsible for averting world war III. I, for one, have no apologies for going all-out to stop a larger fire when the blaze began in Korea in June of 1950.

In the field of management and economy we have gained some time. We have gained some experience. We have gained additional know-how. We have coordinated our efforts better. There is not as much waste this year as there was last year, and there will be less waste this year than there was 2 or 3 years ago, immediately after the beginning of the Korean war. I think it is very commendable that progress is being made. I think our defense people, military and civilian, are more sharply and acutely conscious of the demands for economy in manpower and in money than they have ever been before. Naturally, they can afford to be more cautious when a shooting war is not in progress. I say that in a nonpartisan way. It ought to be that way, and I believe defense techniques will improve from year to year if we continue in the Congress this policy we have of vigilance.

Now we come to this question that plagues a lot of people in Congress, disturbs the rest of every thoughtful American mother who lives in an industrial or populous area, and that is, how vulnerable is this country to attack and what are we prepared to do about it?

Well, I say bluntly, expressing my own views, that I think this country is vulnerable to atomic attack from the enemy. I say that with both feet on the ground and without hysteria. I think—I know—that this country is vulnerable to atomic attack. That is not equivalent to saying that I think this country is going to be subjected to atomic attack, because I think there are many things in this picture which would certainly deter any but the most foolhardy nation from launching an attack upon us even though in such an attack we might lose very heavily, perhaps several hundred thousand people and much property. I am thinking only of an initial attack.

During World War II our bomber command discovered that we sustained on the average less than 5 percent loss in our bombers during a bombing raid; in other words, about 95 percent of our aircraft got through to the target, and it was because of this that they could make those repeated raids. If we should ever come to an atomic war—which heaven forbid—and if 95 percent of enemy aircraft got through, the consequences could very well be disastrous.

The most challenging problem in the Pentagon today, even though the headlines in the press might indicate otherwise, is how to quickly and drastically reduce the number of enemy bombers which might possibly get through to their targets in the event of an attack upon us. Can 95 percent get through? Can 90 percent get through? Can 80 percent get through? Can 70 percent get through? The exact figure cannot be predicted. It would depend somewhat on the weather; it would depend on the element of surprise; it would depend upon the technique that was employed; it would depend to some extent on just plain luck. It would depend upon a number of factors, but I believe that it is possible that an attack could be made upon us, in which 75, 80, or 90 percent of the attacking aircraft might get through. I do not like these kinds of facts and figures, and I have over the years as your advocate on the committee sought to add all possible impetus to the program, and so have other members of the committee, in order that we could get the most perfect system of defense that would be possible.

The enemy is likewise vulnerable to atomic attack, and he knows that he is much more vulnerable than we are. We have great superiority in capacity to deliver the conventional weapons, the atomic weapons and, when we get them in supply, the hydrogen bombs. I am just relating the facts of life, not military secrets. In the light of this situation our people are working and spending a lot of money in an effort to find the answer.

We will have provided, when we pass this bill, over a 4- or 5-year period, about $5 billion for guided-missile programs of one kind or another. I may say that if there is one weapon above all other weapons that holds the answer to our defense against being bombed by the enemy, it is the guided missile. That is where the answer is going to be found, if it is found, and it is being found to a very encouraging degree. This very Capitol itself is to be defended by such techniques, and such a program is now under way, I have read in the papers.

There are other methods to defend ourselves against attack by aircraft. One would be by antiaircraft guns. But if we come to the point where we must rely on antiaircraft guns to defend our cities from enemy bombing raids, we are approaching the end of our military

strength. That is one of the methods that can be used, however.

The interceptor aircraft, particularly the ones which are guided by radar from ground sites, offer great possibilities. All of us know about the bases which are being established and the hundreds of millions of dollars worth of the interceptor type aircraft which are being procured. Of course, we continue to improve and expand the so-called radar defense, the aircraft warning systems.

Mr. Chairman, it is fair to say that the Pentagon people are pushing this program of air defense, but they have not found the complete answer, and we must rest as best we can on the thought that we are to a very considerable degree vulnerable to foolhardy bombing raids. The Soviet Air Force, which is the strongest air force in the world save ours, does have one-way aircraft that could bring the fight to this country by bomber, but those aircraft could not make the return. That would mean they could drop atomic weapons and crews could abandon their planes by parachute when fuels were exhausted. The Soviets are, according to reports which I read in some of the trade journals—I am not quoting secret testimony before the committee—building turbo jet long-range bombers. Everybody knows that. They will be, of course, capable of launching an attack with planes that can come to continental United States and return to Soviet bases. Those are the facts of life. In short, the capabilities of the enemy are very considerable.

What about our ability to counterattack? Are we really prepared to launch a counteroffensive in the event the bell rings and the big war starts, or is it just newspaper talk?

After considerable experience with the installations and personnel of the Strategic Air Command at home and abroad, and under many circumstances and over a period of years, I can say with complete confidence that this Nation is superbly prepared to launch a devastating, unstoppable counteroffensive in the event the big war should begin. That is the greatest hope, in my judgment, that the big war will not come. It is one of the best hopes for peace. That counterattack would begin to take form in the first few minutes of hostilities. We not only have our Strategic Air Command, we have the Navy air arm, we have the conventional Navy itself, and we have an ever-increasing efficiency on the part of the Navy to cope with enemy submarines. Those are some of the important areas in which we have been trying to put your money. I emphasize that we are trying to generate every bit of effort to defeat the enemy submarine in the event of all-out hostilities. The Army continues to be an indispensible force at home and abroad.

The hydrogen bomb, according to the newspapers—and I cannot quote secret testimony—has far outdistanced the hopes of its creators in its capability to effect devastation. Statements made by officials of the Government indicate that the hydrogen bomb has the capability of generating destruction equivalent to much more than a million tons of TNT. It makes the atomic bomb of Hiroshima look like a firecracker in comparison.

There is no doubt in my judgment that if a war should begin in the next few months the atomic bomb and the hydrogen bomb would play a very big part. But who knows if war should not come for 10 years—and we hope it never comes—that these weapons would be used at all? They might possibly be completely neutralized and no one would use them. They might follow the pattern of the poison gas experience in World War II. I make no predictions on that question. But, in my judgment, the atomic and hydrogen bombs would be used in any big war in the relatively near future.

Mr. Chairman, those are some of the off-the-cuff observations which I have thought it my duty to undertake to make to you upon this occasion. The gentleman from Kansas [Mr. MILLER] a moment ago was inspired to ask me a question, and I would like to yield to him now.

Mr. MILLER of Kansas. Mr. Speaker, the gentleman, as I recall, raised a supposition. He supposed that 90 or 75 or 50 percent may get through our defense. I was wondering why not cut it down to 5 percent, considering the devastating power of the hydrogen bomb as we know it. Supposing one plane should get through and drop a bomb on a place like we are occupying now, a bomb such as was dropped in the Pacific a few months ago, and that has been multiplied in its effectiveness, what would be the effect? How do the provisions of this bill meet that situation?

Mr. MAHON. That is a very interesting question. No one in his fondest hope expects us in the next few years to be able to assure that not 5 percent of attacking bombers would get through to their targets. If we can get it down to 50 percent in the near future we will probably be doing pretty well. It is not that Democrats and Republicans and military people and civilians would not like to see accomplished what the gentleman and I have in mind; the answers have just not been found. They are working toward that end and spending billions of dollars toward that end.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman from Texas has made a very interesting and informative statement which we all appreciate, I am sure. We always listen to him with interest. I was interested in your remarks that you would not have reduced the appropriation for research and development, and I notice on page 38 of the report with respect to the Air Force that research and development for the Air Force has been cut $21 million for the next year. It seems to me that that action should not have been taken by the committee, because we know that research and development takes place in peacetime. When war breaks out, we do not have time to go to the drawing board and prepare; we must have research and development in peacetime. I wish the gentleman would elaborate on that just a little bit further.

Mr. MAHON. I should be glad to. A lot of crimes, someone has suggested, have been committed in the name of liberty, and a lot of waste has been practiced upon us in the name of research and development. "Research and development" is a very catchy phrase which we all embrace; certainly I do, and I know the gentleman from Tennessee does. It is a cut, I believe, of about $21 million out of about half a billion dollars; a cut percentagewise, I believe, of less than 5 percent. I would not personally have made the cut, though it may prove utterly harmless because it is a very minor cut. The reason I would not make it is that our military forces have a certain planned program. I do not want them to stop and replan; I want them to go forward with the projects they are working on, and if we take away part of the money it causes replanning and slowdown, and if we are going to get the answers to the questions raised here by the gentlemen from Kansas and elsewhere, we have got to go forward more rapidly.

Mr. EVINS. At the present time they are spending $440 million in the Air Force for research and development and for the next year only $409 million is recommended—a reduction of $21,550,000. That seems to be a rather substantial reduction.

Mr. MAHON. In dollars it is substantial. Of course, percentagewise, it is not.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. I would say to my distinguished friend from Texas that I have listened to his address with a great deal of interest and admiration. As he was addressing the House, the thought occurred to me concerning the reduction in the Army to which the gentleman referred briefly. In the light of the present critical situation in Indochina, I should be happy to have the gentleman address himself to the subject of the reduction of our Army by some 400,000 men as presently planned, if the gentleman cares to do so.

Mr. MAHON. As I said, of course, General Ridgway evidenced in many ways his concern over the reduction, but, of course, he went along with it as a good soldier. All the forces want more personnel and more money. The thing that worried me more than the number of men was perhaps the deductions that might be made by those abroad who do not wish us well. In other words, if the potential enemy should consider this as evidence that America is backing down, that America is going to embrace a policy of appeasement, that America does not really mean what she has been saying, the implications would be serious. That aspect of the matter has concerned me a great deal. When we sit at the conference tables, when we go to Geneva, when we undertake in the United Nations and elsewhere to enforce our will at the conferences which are held, we need to have our best foot forward, with no evidence of lessening of strength behind our Secretary of State, Mr. Dulles.

As to Indochina, I do not know what is going to happen in Indochina. Certainly I do not want to see American troops sent to Indochina, but I am not in favor

of telling the enemy whether we are going to send troops to Indochina or not.

I do not want the Congress to take any action which would give the enemy any more information. Heaven knows he already has too much. I do not think we ought to tell the world precisely what we are going to do under all circumstances. That was one of the things that concerned many of us about the New Look. It was first indicated by the Secretary of State, Mr. Dulles, that we were going to rely in the future upon massive retaliation. We are trying to deter the enemy, and that implication is a pretty blunt psychological weapon which has its good points. The fact is we do not want the enemy to know whether we are going to rely on massive retaliation or brush fires, or what steps we are going to take. We need to have every possible bit of maneuverability in the field of foreign relations, in my judgment. I think we should guard very carefully the delineation of our policies in these fields.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from West Virginia.

Mr. BAILEY. The gentleman has expressed his desire for economy. I should like to ask him whether he feels that the failure adequately to continue the training of our Reserves, some two million of them who have gone from active service into the Reserves since World War II, is wise. There has not been adequate provision by way of armories and training fields, and it gets back to the question that I directed to the gentleman from Massachusetts [Mr. WIGGLESWORTH]. I think that program is not liberal enough. The gentleman understands, of course, that that is a program in which the States join by putting up 25 percent of the construction money for armories and in addition supplying the sites.

Mr. MAHON. The committee approved the full budget estimate for armories.

Mr. FORD. If the gentleman will yield, the unobligated balance that will be available in fiscal 1955 for the joint State-Federal Government program for armory construction will be $9.5 million plus the full amount which the budget recommended and which we approved of $9 million for the same program, which gives to the armory construction program $18.5 million for the next fiscal year. Their own figures will so state, that at the end of fiscal 1955, out of the $18.5 million they will have available for obligation $2 million which they will not have obligated.

Mr. MAHON. I think I have occupied the floor long enough. The gentleman from Michigan can discuss that in detail. If the House in its wisdom wants to provide more money for armories that is within the authority of the House to do. I think the program is worthwhile and we should carry it forward. If additional funds are needed they could be provided.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from New York.

Mr. WAINWRIGHT. Did I understand the gentleman correctly when he said he believed that if a war broke out within the immediate future or within several months—the gentleman did not define "immediate future"—he thought we would use nuclear and thermonuclear weapons, but that if it were delayed for a period of 10 years it was possible they could neutralize each other?

Mr. MAHON. It is possible, but, of course, no one here knows what might develop. I made the point in order to enforce this idea, that you cannot place all of your eggs in one basket. If you rely only upon one method of defense or offense, and then it is neutralized and is not used in the conflict which comes, you are in a bad situation. So you have to have some degree of balance in your planning.

Mr. WAINWRIGHT. Then does the gentleman think the appropriation is adequate to provide the military and the President with a balanced enough force to meet the threat wherever it may occur?

Mr. MAHON. I do not think we could meet it without terrific losses. This is not a program of ultimate, complete defense. If war should come—let us measure our words for the record—our losses would be terrific, and people would say, "What have they done with all our money, and why are we not better prepared?"

Mr. WAINWRIGHT. I would then carry the question further, because I gathered the inference from the gentleman, based on the experience of his committee work, that we would or that both sides would use nuclear weapons. Consequently the implication is that there would be massive retaliation on our cities. I gathered that the gentleman felt that the enemy was capable of delivering such retaliation. Is that correct?

Mr. MAHON. I do not like the gentleman to put words in my mouth. I stand by what I said. What is the gentleman's point?

Mr. WAINWRIGHT. The point I was trying to raise is whether the gentleman as an individual feels that this budget provides adequate funds to meet such a contingency.

Mr. MAHON. First, what does the gentleman mean by "adequate"? This budget does not provide adequate funds to prevent very damaging blows being delivered against us. It does not make us airtight in our defense program at home or abroad. It is a betwixt-and-between compromise, with many calculated risks thrown into the picture. Anyone would be foolhardy who would undertake to guarantee the Congress or the country that this budget is adequate to meet fully all the contingencies which may arise in the unforeseeable future.

Mr. O'HARA of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. O'HARA of Illinois. I have been very much interested in the gentleman's analysis and his observations. I would like to extend his observations to another field in which I am interested because of this circumstance. In my district is Jackson Park. Jackson Park is where we had the World's Exposition in 1893. A part of that is a wooded island. That wooded island is a place of recreation, and it is centered in the sentiments of three generations of the people of my district. The Department of Defense, as I understand it, is about to take this island and remove the trees and all the things that have meant so much to my people and still do, and make out of it a fortress as part of our air defense. I wonder what will be the thought of the distinguished gentleman from Texas on the repercussions that we are having in our fear of the war and in our efforts to properly defend ourselves to meet the dangers of war in the destruction of those spots of recreation and of sentiment that can never be restored. And further there is this thought: Of course, no one because of sentiment or because of personal reasons would object to anything that is necessary for the defense of our Nation, but is the judgment upon which these spots are destroyed the final and well considered judgment of the highest authority in the Defense Department, or does it come from the judgment of persons of less authority?

Mr. MAHON. The gentleman has raised an important point. I note that he says that he and his people are willing to yield to military necessity, but they want to make sure that the transformation of this landmark is essential. I find no fault with that attitude. We all know that we have used the priceless blood of our own sons in our defense; we have used dollars, manpower, and energy, and I am sure we would not hesitate to use historic or priceless locations if such action is necessary for the defense program.

Mr. O'HARA of Illinois. Nobody would object to that, if it is necessary.

Mr. MAHON. If the gentleman will permit me to finish, I think the gentleman and I will share the same view. His point is, could not the air defense be promoted just as well by the selection of some other site? I think, certainly, every effort should be made to select a site that would not do the damage which the gentleman has described. I think the idea should be forcefully brought to the attention of the appropriate authorities, and any member of the committee, including myself, will be glad to request a real showdown hearing in regard to the problem which has arisen in the gentleman's district. This is, as the gentleman knows, not the main bill for military public works.

Mr. O'HARA of Illinois. The information has been given to me. I do not know how much it is to be relied upon. It is said that the reason for the selection of this place is that it can be bought from the park district for $1 an acre whereas, if they condemned other property and took private property, it would take a good deal more money.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. GROSS. Could the gentleman give us any estimate as to how much is in this bill for offshore procurement?

Mr. MAHON. I would have to yield to my chairman for a quick and ready answer to that question.

Mr. WIGGLESWORTH. I do not think there is anything in this bill for offshore procurement. I think that comes under the foreign aid bill.

Mr. MAHON. There have been offshore purchases for food, as you know, for our troops overseas. There always is. We have to buy many things overseas. But, so far as military weapons and things of that kind are concerned and other major items, they, of course, are not obtained through offshore procurement at all.

Mr. GROSS. The purchases overseas are offshore procurement whether they be for military supplies or what. What I am getting at is that last year we bought 5½ million pounds of butter from Denmark alone and shipped it clear to the Far East, and the Far East Command.

Mr. MAHON. I could not vouch for those exact figures.

Mr. GROSS. I could vouch for them. Why did the Department of Defense buy 5½ million pounds of butter from Denmark when we have this surplus in our own country?

Mr. MAHON. I do not have the facts before me on butter purchases. I know that our people have used fish from the Japanese area to help feed our troops.

Mr. GROSS. I do not know of any surplus of fish in this country.

Mr. MAHON. And I know that we have bought products overseas in the European theater to feed our people. But, I will investigate the gentleman's figure as to butter from Denmark, and I join with my friend in vigorously defending the right of our own American producers.

Mr. GROSS. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 40 minutes to the gentleman from Kansas [Mr. SCRIVNER], chairman of the subcommittee on the Air Force.

Mr. SCRIVNER. Mr. Chairman, as the gentleman from Texas has indicated, he, together with myself and the gentleman from Nebraska [Mr. HRUSKA] comprise the subcommittee or the panel on Air Force appropriations; and, as he has stated, the hearings were carried on in the greatest of nonpartisan sentiment. We are concerned with one thing, that is the greatest possible defense for this Nation at the lowest possible cost in dollars, manpower, and material.

Mr. Chairman, before discussing the United States Air Force, permit me to make two short references to the Soviet air potential.

Just last week, Gen. Lawton Collins, former Army Chief of Staff, and presently our top United States NATO representative, made this statement, namely, that the Soviet air force has 20,000 planes. The United States Air Force has more than 21,000 planes, and in addition thereto, as a potent part of our United States airpower, we have the Navy and Marine planes of more than 10,000. We outnumber the Russians more than 3 to 2 and our planes are superior in quality. Our pilots are surpassed by none, in skill and courage.

Our plane industry is on an even keel. Our production capacity exceeds that of the Soviet.

To those of you who may have had some fears after seeing a picture of what was reported to be a new Soviet jet bomber, let me state that responsible intelligence sources informed me that they have valid reasons for believing that the picture is not authentic, but is a phoney. However, it would be foolish to think that the Soviet is not working on better planes. As of today, their long-range bombers in any considerable number is the T–4, a copy of our B–29. It is not capable of bombing any place in the United States and returning to a Soviet base. One-way suicidal missions over this country are, of course, possible. The probability is in my mind remote, based upon intelligence made available in Europe last fall and since.

A year ago, you were told, although you might have forgotten, that 3 planes could carry as much devastation as 2,700 planes could carry at the end of World War II. That statement was based upon the terrific A–bomb power. Today, with the H–bomb, a small handful of our planes can deliver as much devastation as was delivered by all Allied planes in all of the sorties in World War II. That power is the greatest defense of this Nation.

These new facts, developing so rapidly, mean that many changes in our air arm can be expected within the next year or so—a situation taken into consideration by our committee as it engaged in its hearings and decisions on the modest reductions.

The application of another appraisal of the facts of modern-day airpower should result in the immediate future of savings in planes, military manpower, and dollars.

STRATEGIC AIR POWER

Mr. Chairman, before going into details of the budget and discussing matters relating thereto, two other comments about our Air Force are in order.

First, quite frankly I have been, in the past, skeptical and have expressed skepticism, of the immediate striking power of our Strategic Air Command, referred to as SAC. Visits to SAC bases at home and abroad have wiped out that skepticism. You may rest assured that our Strategic Air Command is able and determined to carry destruction to any part of the world at any time it is ordered—see Twining, page 91.

Second, while there remains room for improvement, I have seen in the Air Force, more evidence of efforts toward, and pride in, economy in the last few months than I have seen in the last several years. As this desire and practice grows, our military expenditures can decline—we can get still more defense for still fewer dollars.

NO REDUCTION IN FUNDS FOR NEW PLANES

Mr. Chairman, as set out in the report, you have noted that the major Air Force budget aircraft and related procurement item has not been reduced. We have allowed the full amount requested for new aircraft and initial spares, ground-handling equipment, missiles and aerial targets.

When the budget was prepared, the Air Force told us they would have in this program $1.8 billion which would be unobligated; that is for which no contracts would have been let as of June 30, 1954. Just before the hearings were ended, we were told that there would be an unobligated balance of $3,691,000,000. This balance, with $2,760 million new money makes over $6½ billion available in 1955 for obligation, an increase of nearly $2 billion more than was first suggested.

Prior appropriations and new money allowed here will provide for the procurement of 1,167 planes—page 215—giving us an Air Force which on July 1 will be 80 percent modern, reaching 100 percent modernity by July 1, 1957, a fully modern force of 137 combat wings, with 27 additional Air National Guard wings and 23 wings and 67 squadrons of Air Reserve.

As of June 30, the Air Force will have unexpended funds totaling $23.6 billion. The new funds, $11.2 billion, will make a total of $34.8 billion. At the present rate of expenditure, enough to run 3½ to 5 years—page 926.

These unobligated and unexpended funds prove conclusively that reductions made last year did the Air Force no harm.

NO TIME OR MONEY LOST BY NEW LOOK

Contrary to statements made in recent weeks, the testimony shows convincingly that there has been neither time nor money lost as the result of the new appraisal, or if you prefer, as a military man, a new estimate of the situation, which the new Chiefs of Staff made last fall just as we promised you they would. The program presented by this budget was endorsed by all chiefs—volume 47, pages 120, 119. General Twining is most positive in his statements that the new program gives us an Air Force much stronger than that of the Soviets—page 92.

GENERAL MOTORS CONTRACT CANCELED

Also, contrary to claims made on this floor, among the defense orders canceled or cut back, were orders with General Motors to the tune of $90 million—page 54.

CONTINENTAL DEFENSE

Since SAC is ready to go, able to smash either initial or retaliatory blows, more emphasis has been placed this year on the defense of this continent.

The major portion of our protective and detective early warning radar net is completed. Further installations will augment this chain giving us still earlier warning. In addition thereto, the Air Force and Navy has radar planes covering strategic areas, supplemented by radar picket ships—page 159. Automatic radar stations in the far north are in operation.

The Air Defense Command—ADC—has a defensive network complete with communications, capable of locating approaching planes from any direction. Each day sees more fighter squadrons in position and condition, constantly alert, for the protection of key cities, industrial areas and military installations. The much—perhaps too much—publicized Nike batteries are being installed.

Nike, as you know, is the ground-to-air guided missile, with an almost unbelievable record of accuracy.

Our Tactical Air Command, generally those planes which we think of as operating more closely to and with our ground forces, is being equipped with better, faster planes, and their tactical disposition is further strengthened by the matador guided missile, essentially a pilotless plane, electronically guided and operated, with such accuracy that the error or miss is fractionally minute.

ROCKETS AND MISSILES

Other rockets and missiles are nearing the end of the development phase and are ready for production. But, quite frankly and honestly, though progress is being made in these fields, we are nowhere near the day and age of push-button warfare.

There are many phases of Air Force requirements which could be discussed, however, if Members are interested in them, the hearings, almost 1,000 pages, are available for study; hence the following discussion will relate chiefly to the reductions recommended and the reasons for them.

Incidentally, in the Air Force hearings on pages 78 to 80, you will find an explanation of the various commands, and on pages 87 to 91 you will find full explanation as to the terms, wing, group, squadron, and so forth.

MAJOR PROCUREMENT OTHER THAN AIRCRAFT REPORT, PAGE 37

Another big field of Air Force expenditures is for major procurement other than aircraft. Under this appropriation item funds are furnished for weapons, ammunition, motor vehicles, electronics, and communications equipment.

The committee has recommended a reduction of $60,636,000, yet we provide for $74,364,000 that was provided last year. There will be an unobligated carryover of $282,200,000, which added to the new funds will provide nearly $1 billion for obligation in the coming year—report, page 37. With the present unexpended balance, over $3½ billion will be available for spending, sufficient for over 4 years of financing at the present rate of expenditure. At the proposed 1955 rate of expenditure, more than 3 years are provided for.

The Air Force made a mistake in mathematical computations in weapons of $3½ million; we naturally deducted this amount.

No reduction is made in weapons or ammunition.

The balance of $37 million reduction applies to vehicles of various types. Availability of commercial vehicles makes unnecessary a huge reserve to deteriorate. Figures relating to other types are unrealistic—see Times item. A survey recently started, probably after the budget figures were prepared, has brought countless excess items of equipment from bases into depots. Many more will follow. Sufficient showing has been made to justify our skepticism and our reduction and to require a complete analytical survey which has been requested for next year.

[From the Kansas City Times of April 23, 1954]

LOSE WEAPONS TO RUST—BILLIONS IN MILITARY WASTE REPORTED IN STORAGE—IMPROPER PACKAGING AND PRESERVATION BLAMED BY A PENTAGON SOURCE FOR RUIN OF A VARIETY OF EQUIPMENT

WASHINGTON, April 22.—Billions of dollars worth of military weapons and equipment are rusting, corroding, or mildewing at arsenals and warehouses around the world because they were packaged and stored improperly, a Pentagon source revealed today.

"Valuable precision instruments, radar equipment, guns, and other vital war materials are being scrapped because the Pentagon never has enforced a standard packaging and preservation policy," the official said "as a result there has been tragic waste of goods that might have been saved by a little extra care."

He said the Defense Department had lost over $1 billion a year on packaging and preservation of the munitions and other supplies it buys for immediate use or for war reserves. This money would be adequate if the military services and contractors followed uniform packaging principles to make sure the equipment will be in usable condition when unpackaged.

"Congress has had little information about this serious problem because the loss and waste has been covered up under the general term of obsolescence," the official said.

"No one really knows the condition of the $30 to $40 billion worth of supplies now in storage."

RESEARCH AND DEVELOPMENT

Mr. Chairman, this committee keenly appreciates the value of research and development. It has always been most liberal with funds for this program. In fact, we have appropriated more funds, in times past, than the former executive has permitted to be spent.

We have felt that some of the programs have not produced results as we were entitled to get. Each year funds have been carried over. For example, $85 million is being carried over into 1955, which with new funds would make nearly one-half billion dollars available in 1955 for obligation. In actual expenditures, which is more nearly the yardstick for this program, over one-half billion of previously appropriated funds will be unspent July 1. With the new funds allowed and these unexpended balances, nearly $1 billion will be available, with nearly one-half billion once again remaining unexpended July 1, 1956.

This modest reduction of $21,550,000 will serve to bring matters more nearly current and help to level off without such large unobligated balances being carried over each year.

MAINTENANCE AND OPERATIONS REDUCTIONS

Mr. Chairman, the committee did recommend a reduction of $50 million in maintenance and operations, applicable especially to the procurement of follow-on spares and spare parts. The reduction is really nominal, and cold logic and stark realism would justify even more.

As was brought out time after time, the requirement for maintenance and operation of planes, the number of repairs, overhauls, fuel, and so forth, are tied in very closely with number of flying hours—page 394.

Spares and spare parts are procured under 2 projects, 120 under aircraft procurement and 411 under maintenance and operations, the latter being follow-on spares.

Although flying hours increase only 14 percent, the request for spares and spare parts in project 411 zoomed up over 60 percent over 1954—page 384.

Reference to page 233 of the Air Force hearings graphically portrays what the spare and spare-parts situation is.

July 1, 1950, spares on hand were listed as $2.064 billion.

In fiscal years 1951 to 1954, inclusive, $9.778 billion were appropriated, bringing the total of on hand and financed to $12.559 billion.

In fiscal years 1951 to 1954 it is reported that $2.9 billion of spares and spare parts were consumed or otherwise left the inventory.

That leaves assets on hand July 1, 1954, of $9.622 billion—enough spares and spare parts to run over 3 years at current rates, or if based on consumption only—$1.900 billion—nearly 5 years.

With this modest reduction of $50 million, this bill will provide another $350 million plus $1.037 billion initial spares, bringing the total inventory and available funds of over $11 billion, or nearly 6 years' supplies at current use rates.

Without any new funds, this inventory is sufficient to carry the Air Force for nearly 4 years.

The committee feels that a still more realistic program of estimating spare and spare parts requirements must be undertaken to avoid this huge backlog, much of which becomes obsolete, and which occupies countless acres of expensive storage.

The committee recommends a modest reduction of $35 million in the procurement of fuel and oil. Industry experts indicate a decline in prices. In addition thereto, even though as stated above, flying hours increase only 14 percent, the estimates for fuel and oil increase 34 percent.

With these modest reductions, funds are increased 30 percent over 1954, or more than double the increase in flying hours.

In the hearings, it was developed that in 1954 the average cost for fuel for each flying hour was $50. Although there will be more jet flying, the increase cannot justify the jump in 1955 to $58 per hour, an increase of 16 percent. Further figures show that the average annual cost for fuel per plane in 1954 was $22,280. Fiscal 1955 figures indicate a rise of 24.7 percent to 27.78 percent. With the actual and promised increased efficiency and economy, this increase should have been much less.

BASE AND MAINTENANCE EQUIPMENT

A minor reduction of $15 million was made in this program which provides for vehicle supplies, tires, tubes, and so forth.

An analysis of Air Force inventory indicates repair parts and so forth, amounting to more than $1,000 per vehicle. Tires and tubes—except for a few special types—are now immediately available and no useful purpose is served in piling up huge reserve supplies to rot in the sun and weather.

LOGISTICAL SUPPORT

A reduction of $65 million was made in funds for depot maintenance. We were told that the Air Force, in its aircraft engine maintenance activity had now adopted a new program—IRAN—inspect and repair as needed, rather than a complete disassembly and rebuild as new—a program that should save nearly 75 percent in costs, yet the figures submitted to the committee show increased costs, some increases running as high as 35 percent. We were also told of the increased time between engine overhauls and other management improvements which should have reflected savings.

Yet, while the flying hours go to 14 percent, we find a request calling for an increase of 123½ percent in fiscal 1955 over 1954, from 47 to 105 million—page 475. This cannot be explained by an increase in the number of planes or types because the increase is not double of 1954, nor can it be said that planes are more than twice as complex this year, so the reason of complexity fails to explain this alarming rise.

The increase from 47 million in 1954 to 105 million in 1955 seems to be the result of an error or failure, in the field, to put into action the new improved management programs of which we heard so much.

In 1954, the average cost per plane under this program was $28,569. The request calls for $32,600, yet figures indicate that in 1953, before any austerity was in vogue the cost was $25,246.

Even with reduction, there will be available $4,129 more per plane over 1953 and over $1,000 per plane over 1954.

It should be noted, as a matter of interest, that exclusive of military pay, including the cost of operating our bases, it costs us $181,300 per plane per year to keep them flying. Inclusion of military pay doubles this figure.

OTHER REDUCTIONS

Under the various programs requests are made for major repairs and minor construction. This program is justified under—page 510—the need to maintain buildings, roads, utilities, and so forth, and make repairs due to floods, fires, storms, and acts of God.

All of these requirements are unforeseeable. Yet, this year, a new "gimmick" was added, namely, a request for an added 10 percent for unforeseeable projects.

The committee saw no need at this time, after all the years of presentations on the standard form of requests to add the 10 percent, for in fact, most, if not all the items for which these funds are sought are unforeseeable.

MILITARY PERSONNEL

As set out in the report—page 41—a modest reduction was made in this item. Thirty-three million dollars was volunteered by the Air Force. Two million one hundred forty-four thousand one hundred dollars cut was concurred in by the Air Force.

The remaining $7,855 million reduction relates to funds for movement of individuals and household effects when the stations are permanently changed.

The Air Force has undertaken to eliminate or reduce this practice.

The committee feels that this policy change should save more than this $7.8 million, and that the $8 million over 1954 will provide all required funds if these shifts are held to a minimum, as we hope they will be.

RESERVE AND AIR NATIONAL GUARD

Fully realizing the importance and need of the Air Reserve and Air National Guard, and with the increased implementation in the defense of this Nation, the full amount requested has been allowed.

All told, Mr. Chairman, the total reductions made amount to $380,690,000, of which the Air Force has concurred in $116 million.

The committee reduction amounts to 2 percent, a very modest reduction in view of all facts and circumstances.

D TO P

In the hearings many references are made to D to P—pages 85, 161, 303, 305, 307, and 308.

D refers to the day hostilities might start. P refers to the time when production is great enough to take care of our currrent needs.

Rather than build up huge reserve stocks, most of which deteriorate or become obsolete with time, we are, as a result of the new appraisal and new approach, building up just that amount of material, largely through keeping plants in operation at a low tempo, which will meet immediate combat needs and provide whatever is necessary to supply us from D–day to that day when the plants, all tooled up, already in operation, can turn on full steam, add the necessary shifts of workmen and furnish the military what is required to keep going.

In other words, much of our reserve is in operating plants instead of in stockpiles and warehouses.

It is a sound, sane program geared to the long pull, and not geared to an unsound program of getting ready for some hypothetical fixed D–day.

MORE POWER, FEWER MEN

The Air Force, civilian and military, deserve great credit for bringing into being more wings—115 compared to 110—with fewer men—955,000 compared to 960,000. As a matter of fact, earlier figures called 997,000 for 110 wings, and 1,031,000 to man 115. Direction from the top, and cooperation through all levels has made this possible. Greater use of indigenous—foreign—personnel has contributed, and is often referred to in the hearings as Project Native Son.

This program, which made possible the return of over 30,000 airmen from Europe, will be expanded during the year.

Other practices have also brought about this increased fighting strength with fewer military personnel—page 173. Food service has been found to require fewer men after a detailed analysis; and more airmen are doing KP. The number of chauffeurs has been reduced; a smaller number of air police are used; the number of bands has been reduced; clerks, orderlies, typists, and miscellaneous headquarters personnel has been reduced.

SERVICE COMPLAINTS

During the hearings this year and in previous years, the committee has felt and observed, as mentioned briefly a moment ago, that the frequent shifts of assignments, was too costly and detrimental to the welfare of the Air Force. One of the most frequent subjects of criticism, and one of the major reasons for abandonment of the Air Force as a career was the frequent moves, which disrupted homes and home life. It proved quite costly—in addition to loss of experienced personnel—in travel and transportation.

We are assured that steps have been taken, and will continue to be taken, to make it possible for personnel to serve longer in one place. Perhaps our reduction in travel allowances will prove helpful in carrying out this program. And we are quite certain that if these shifts are reduced, more than the $7,800 million reduction can be saved.

Another cause for dissatisfaction is the apparent lack of effort to bring about concurrent travel of families and dependents of military personnel. Housing abroad creates some of these situations. But, the committee feels that no effort should be spared in bringing about concurrent travel, a subject discussed at several places in the hearings.

Of course, with military personnel in 50 or more countries of the world travel and transportation, with all of the accompanying problems of dependents, will be an ever-recurring problem.

PROFICIENCY FLYING

The committee made no changes in the language relative to proficiency flying—that flying which is required for officers rated as fliers whose assignments do not call for flying at present.

In years past abuses of proficiency flying have been pointed out. During the past year, guided by legislative controls, some, but not all, abuses have been eradicated.

Proficiency flying has been reduced about 350,000 hours, and at a conservative estimate of $100 per hour. This has resulted in a savings to the taxpayer of over $35 million.

More improvement is promised, and it is hoped that during the coming year we will not again observe what amounts to mass flights to social events or other observances.

Disturbing reports, not yet fully evaluated, come to us of rather considerable amount of seemingly unnecessary administrative flying—reports which indicate that ofttimes commercial transportation for flights of individual officers would be more economical.

By the time next year's budget is presented it is hoped and expected that still more improvement will be reported.

SPORT-CAR RACES

Now, Mr. Chairman, another matter involving some taxpayers' money, but more essentially policy, has been the subject of some recent comment in the

press, on the radio and TV. That subject is sport-car racing. One of these races is to be held Sunday at Andrews Field, purportedly to raise money for some morale-building activities at that base and some funds for the Washington Boys' Club.

As I have often stated, I hold no brief for or against these races. I have never seen one. I do not expect to see this one. If I were a younger, wealthier man, I probably would be interested in sport-car racing, which, from what I have read, must be quite thrilling and a great test of skill and nerve. I hope Sunday's show will be well attended.

But, Mr. Chairman, under the guise of building morale, no program such as this should be permitted if it tears down morale. Phone calls and letters I have received convince me that these programs hurt morale and cost Uncle Sam far more than is contributed to the recreational funds of the sponsoring bases.

Although the Air Force says all the services of the airmen are voluntary, I am convinced this is not true. A recently retired technical sergeant writes that men in his outfit were ordered to act as guards at the races, starting at daybreak. Many of these men were married and would have preferred, if the services had been voluntary, to have spent the day with their families. Others were detailed to other duties.

This sergeant further states that airmen were given special leaves of absence to sell tickets. This leave was not counted against regular accrued leave. Mr. Chairman, this time was paid for from military appropriations, along with the military transportation furnished.

In the hearings—page 450 et sequitur—where this subject was discussed, I read a statement that at MacDill, the cost to Uncle Sam was $100,000, and the return to airmen's fund was about $30,000, perhaps $40,000.

A letter from an airman who was active in the promotion of the races there states that when everything is figured in, the cost to Uncle Sam was nearer to $500,000, and that the blow to morale from forced duty was damaging.

Can all this duty as guards, traffic police, handling communications, and so forth, be voluntary when it is found that all leaves and passes were canceled from April 15 to May 5?

On page 953 is found a statement from the Air Force purporting to answer some, if not all, questions arising.

They again say military labor is voluntary. Countless phone calls convince me it is not, and that men are involuntarily compelled to give up their off-duty and leisure time to perform work at Andrews Field. Many others are taken from their regular military duties to work on the preparation of this program, and to follow on in the clearing of the base after the races are over. Uncle Sam or Air Force appropriations are not remunerated for the pay of these men, for under the Andrews Air Force Base regulation 176–5, dated February 15, 1954, such reimbursement is not called for; neither is the keeping of records, so probably no one will ever know the cost to the taxpayer.

Last week I wrote General Twining raising other points and asking further questions, requesting a reply by today.

Three top officials of the Air Force visited with me yesterday evening and stated that all of the facts could not be obtained by noon today and that they were, therefore, answering as far as they could in person the questions which I had asked. They assured me and I accept their word. In the letter I stated that this whole matter is being thoroughly checked; that no new contracts for races are to be entered into, at present at least, although the 5 or 6 future races for which contracts have been made should, as they saw it, be held.

In all localities where these races have been held, there has been, and I feel properly so, criticism for holding these races on Sunday. This criticism has been partially met at Andrews. According to a news report, races will be suspended for an hour, at 11 a. m., to permit participants and visitors to attend services which are to be especially provided.

This presentation would not be complete without reference to other letters, some from Nebraska, some from Ohio, Georgia, some from near by.

One from Massachusetts points out that a sport-car race is to be held there on Sunday, June 6, although such races are illegal on Sunday.

Pressure is put upon businessmen to buy program ads, schools and other institutions are pressured to lend equipment such as grandstand or bleacher seats—all hauled in military vehicles, often long distances.

An airman's wife writes, apologizing for an unsigned letter, since her husband is still in service. She affirms the use of airmen on race activities during duty hours; saw them working on it during off-duty hours. While ticket purchases were said to be voluntary, they were not and worked hardships on the families.

Why risk loss of stripes, or an undesirable assignment by not selling or buying a block of tickets? It is better to voluntarily accept the assignment of work than lose a chance of promotion.

Another airman writes:

> Voluntary? Don't make me laugh. No one volunteers.

And the Air Force wonders why men do not reenlist.

Another letter:

> I would like to state that it is true that Air Force personnel were forced to buy tickets to sell and also some of the civilians, having been one of the victims.

Another message reads:

> It has gone beyond the voluntary basis and work detail rosters have been put up. The working of Air Force personnel on their off-duty time has decidedly lowered their morale.

A phone call brought forth the fact that although they cannot afford it, men have bought tickets, and some of them will be on such assignments Sunday that they would not be able to see the races.

These sport-car races on airbases do some things, Mr. Chairman.

They do provide a race course without cost to the association or the drivers. It does provide free help, guards, police, mechanics, communications men, and some funds for the Sports Racing Car Association. It does provide the promoters with an assured source of income. But all of this does cost Uncle Sam.

From the races here, part of the money—10 percent—goes to the Washington Boys' Club. Fine as the work of the club is, and I donate each year, is there any legal right to use Government property for such purpose?

If such forced labor lowers morale, what is gained?

All in all, the loss and cost far outweighs the gains and the income.

It would be far better, and cheaper, if Congress, upon need shown by the Air Force, appropriated more money—$3, $4, or $5 per airman—for added comforts, rather than have these races which disrupt, for so long a period of time, the various base operations, and which react so unfavorably upon the very men they are purported to help—and cost the taxpayer so much.

In view of assurances given me, I will not offer any amendment to curb this practice.

In conclusion, Mr. Chairman, this is a good sound budget—a program with which we can live for a period of years.

We know, as do all of you, that if conditions worsen, if needs grow greater, more funds, more men, more material can be provided.

Mr. OLIVER P. BOLTON. Mr. Chairman, would the gentleman care to yield for a brief question at that point?

Mr. SCRIVNER. I yield.

Mr. OLIVER P. BOLTON. I am interested in the program for the Air National Guard, particularly as it affects base procurement. Would the gentleman like questions on that at this point?

Mr. SCRIVNER. We gave them everything the budget asked for.

Mr. OLIVER P. BOLTON. Can the gentleman tell me specifically whether there is any new base plan for the area between Akron and Cleveland to replace the installations now at Cleveland Airport and at the Canton-Akron Airport?

Mr. SCRIVNER. I think the gentleman will find that that will come up under military construction. We have something in here for armories and all of the requests that the military made, but as far as specific points are concerned I do not recall that that one in particular was mentioned.

Mr. OLIVER P. BOLTON. I thank the gentleman. I was unable to find it in the hearings.

Mr. MAHON. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. SHEPPARD].

Mr. SHEPPARD. Mr. Chairman, as the gentleman from Massachusetts [Mr. WIGGLESWORTH], my chairman handling the Navy section of the bill, treated the entire bill in his presentation, I think it apropos at this time to handle the paragraphs of the Navy section of the bill. I sat as one of the members of the committee handling that section of the bill.

Before going into details, I want to express my appreciation to the members of the committee with whom I have been honored to serve for the splendid co-

operation that was extended throughout the entire hearings, which were voluminous and, sometimes, frankly, tiring.

I also want to pay my compliments to the clerical staff whom we worked with. They all performed their functions in a very splendid and cooperative manner, and individually I am very grateful to all of them.

Mr. Chairman, I would like to take up the Navy section of the bill in sectional detail. As you will find reflected in the bill, the total budget request for the Navy for this fiscal year was $9,915,000,000. The committee reports for your consideration $9,705,818,500, which reflects a cut of $209,181,500. The bill as is being presented reflects an active fleet of 1,080 ships and vessels and a reduction of 46 ships from the 1954 total. The current manning levels are 80 percent officer and 87.5 enlisted but leaves 100 percent for submarine operations which I am sure the Members of the House are conversant with and the reasons therefor.

Under the section "Shipbuilding," the 1955 program calls for the construction of 30 ships of all classes and includes a fourth *Forrestal* carrier and a third nuclear-powered submarine plus 1,040 landing and service craft, also modernization of 17 ships. Provision is also made to continue upkeep on 1,400 ships in mothball status which will leave us, of course, in a very splendid position insofar as the reserve mothball category pertains.

Operating aircraft: The bill provides under this heading for 9,941 operating aircraft. With the unexpended balances considered, this would provide 87 percent of modernization by December of 1956. Presently air operating forces are about 45 percent modernized.

Under the section head of "Marine Corps," this bill provides continuation of 3 combat divisions and 3 combat air wings at full strength.

Under the title "Military Personnel," this bill provides for 1955 end strength of 682,000 Navy and 215,000 Marine Corps. For the Navy this means a reduction during the year of approximately 52,000. This is made possible, of course, by the laying up of 42 vessels in the fleet support area or mothball category to which I have previously referred. The Marine Corps personnel strength will drop by about 10,000 during the year.

Under the title "Military Personnel, Navy," this bill provides appropriations for pay and allowances and related expenses in the amount of $2,417,000,000, which is a budget reduction submitted to you by your committee of $10 million.

Under the title "Navy Reserve Personnel, Pay and Allowances, Training Program," the committee approved a budget of $78.1 million, which is $11.9 million more than 1954.

Under the paragraph titled "Navy Personnel, General Expenses," this bill carries $74,970,000, which reflects a reduction from the budget of $1,030,000.

Under the title "Marine Corps, Military Personnel," for pay and allowances and associated expenses pertaining to active-duty personnel, this bill carries $612,180,600, which reflects a committee cut of $1,819,400.

Under the paragraph titled "Marine Corps, Military Reserve," pay and allowances and related costs are in this bill to the extent of $16,750,000. This reflects a cut of $350,000.

Under the title "Marine Corps Troops and Facilities," the committee presents the sum of $167,994,500, which reflects a committee cut of $3,705,500.

Under the title "Marine Corps Procurement," we find that in general this is the hardware procurement section of the budget, which was $143,500,000. There was also an estimated $95,700,000 in unobligated funds which would carry over, making the total of $239,200,000 for obligations in 1955. The committee made a reduction in this section of the bill of $13,526,000.

Under the title "Aircraft and Facilities," this appropriation finances operating costs of naval and marine aviation, including fuel, overhaul, training, air reserves, and maintenance and operating of stations and other facilities.

The committee in this instance cut $195,204,500 below the budget estimate.

Under the title "Aircraft and Related Procurement," the committee in this case cut $13,432,000, which comes to a major degree from unobligated funds. The proportion of first-line planes in relation to requirements is now about 45 percent, as those requirements are indicated under the New Look. This should increase to 57 percent by December, 1954, to 64 percent by December 1955; and further to 87 percent by December, 1956.

Under the title "Ships and Facilities," the committee proposes $818,681,000, which reflects a cut of $118,319,000 below the budget, which was $937 million.

Under the title "Construction of Ships," there were two estimates. One was for $57,600,000 for repricing, and the other $11 million for liquidation of obligations. The committee presents for your approval an estimate of $57,600,000, but does not think the $11 million was necessary under the presentations made to the committee.

Under the title "Shipbuilding and Conversion," the budget for 1955 was $1,042,400,000. There was no cut in this section. This provides a fourth *Forrestal*-class carrier. Members of the House can see a complete listing of these ships reflected on page 518 of the hearings.

Under the title "Ordnance and Facilities," there is reflected a reduction of $168,764,000, which left in the bill $457,436,000 for the fiscal year 1955.

Under the title "Medical Care," the budget was $70,300,000. The committee reduced this by $6,700,000.

Under the title "Civil Engineering," the budget was $116,800,000. The committee reduced this amount by $13,506,000.

Under the title "Research and Development," the overall budget request was reduced by $21,758,000, and there was recommended in the bill for the Navy $419,875. This was consolidated with the other services in order that further savings could be made in this operation.

Under the title "Servicewide Supply and Finance," the budget was $341 million, and the committee reduced that by $700,000.

Under the title "Servicewide Operations," the budget was $108,625,000, which was reduced by $5 million.

If we take the bill as it has been presented by my colleagues who preceded me on the floor of the House, I feel that the bill in general is a very good one. In other words, the whole situation boils itself down to this common denominator or conclusion.

There is undoubtedly a percentage of hazard to national security that is involved, and the degree to which that hazard may prevail of course is undetermined. Anybody's guess can be as good as another's.

There has been a very wide range of changes made in the operations executivewise of the Navy, and administratively speaking, and I think that also applies to the Air Force and to the Army. I think in the majority of instances as these change have been administered it definitely indicates savings can be made.

We are going through a phasing program, militarily speaking. We started out with reciprocal motors in our plane functions. Then we had the jet operation developed, which is not refined to the greatest degree of efficiency as of now. Even with that degree of perfection that we have attained in that field of function, we have right on top of that the guided missile, and right on top of that the possibilities of atomic applications. So it leaves the entire military situation in a very rapid transitional status, to say the least.

If this bill as presently before us is accepted by the House and the Senate and becomes law, had to do only with peaceful operations throughout the world, I would say this bill would be adequate. If, however, by unfortunate happenstance or otherwise we become involved in the Indochina situation, this bill will not meet the requirements that will be reflected in that type of operation.

Like all of my colleagues who preceded me, I am very hopeful that we will find this bill is adequate because of a final understanding between all nations of the world that it is far better to live with each other with a peaceful understanding than to have a continuity of conflict. But the acceptance of this military budget in no manner should be interpreted by any nation as indicating our lack of ability and intent to preserve and protect our form of government and way of living.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 35 minutes to the gentleman from Michigan [Mr. FORD], the chairman of the Subcommittee on the Army.

Mr. FORD. Mr. Chairman, at the outset of my remarks in reference to the Army portion of this bill I would feel remiss in my responsibilities if I failed to pay proper and fitting tribute to my colleagues on the Army panel, the gentleman from Maryland [Mr. MILLER] and the gentleman from Florida [Mr. SIKES]. Their wholehearted cooperation, their devotion to their responsibilities, and

their desire to do the best for the Department of the Army and the Department of Defense, were of the highest order. I personally appreciate all they have done in helping to bring this bill to the floor of the House.

It is also highly appropriate to pay my respects to the Secretary of the Army. It has been my personal experience since January of 1953 to have worked rather closely with him in our dual responsibilities, his in the executive branch and mine in the legislative branch of this Government. I have found the Secretary of the Army, the Honorable Robert T. Stevens, a most competent administrator, a most conscientious public servant, and an individual highly dedicated to a tremendous task. He has a big job. He has performed it well. It is very proper to outline some of the things that he, and those associated with him, have accomplished in the period since they have had charge of the Department of the Army. We should recall that the Secretary of the Army took over that responsible position in January of 1953 at a very high point of the fighting in Korea. To the best of their ability he and his associates performed their job extremely well between then and the time that we had an armistice in Korea.

The next period of his stewardship was that of transition from war to an uneasy peace, and I think that the transitional period has been most ably handled. The Army now is engaged in a long-range program for the buildup of our ground forces. Again the Secretary of the Army has done that responsibility most ably.

There is one detail that I think should be mentioned. For many, many years, and I suspect probably from the first days of the Army to about a year and a half ago, the Army never did know what inventories it had of its stocks on hand. Such a condition could be tolerated and understood during a period of war, but there never was any excuse or any justifiable alibi for a failure to know what supplies they had on hand in peacetime. Under the leadership of the present Secretary of the Army, we are now engaged in setting up a financial property-accounting system which will give to the responsible people in the Department of the Army within 30 days after the reports are made an exact and precise figure as to the quantity and the dollar value of the equipment they have on hand. The Secretary of the Army has pushed this program to the maximum. This committee, the Congress, and the public within a year will see important beneficial results from the first program in the history of the Army which will indicate to the Army itself its inventory.

The present Chief of Staff of the Department of the Army, Gen. Matthew Ridgway, is a military leader of the highest quality. He has had wide experience in all phases of combat and administration. This Nation can have the highest faith in the leadership of General Ridgway in the months ahead.

One of the Army officers our panel had before us, not only this year but the previous year, who has been most helpful, is Maj. Gen. George Honnen, Army budget officer. In due course, he will be leaving his present position of responsibility. I wish to pay my personal respects to Major General Honnen for the wholehearted cooperation and assistance which he has rendered this panel in its long and involved budget hearings.

There are some matters that ought to be mentioned overall in reference to the Army: First, under the budget we have before us we will have a far stronger reserve program. Here are some comparative figures: At the end of fiscal year 1953 the end strength in the National Guard was 256,000. On June 30 of 1954, the anticipated end strength of the National Guard will be 315,000. The tentative figure for the National Guard as of June 30, 1955, is 325,000. It is my impression from recent developments that the National Guard strength figure as of this latter date will be even more than 325,000.

The end result is that in a period of about 2 years or slightly over we will have increased our strength in the National Guard by almost 100,000.

Dollarwise, here are some interesting figures: For fiscal year 1953 the obligations for the National Guard were $153,300,000; anticipated or estimated figures for the fiscal year 1954, $210,035,000. The budget request for the fiscal year 1955—incidentally, the committee gave every penny requested for the program—was $218,530,000.

The Army Reserve program likewise shows an increased emphasis on the Reserve picture. On June 30, 1953, the Reserves had a strength of 117,000. On June 30, 1954, the end strength will be 168,000; and the anticipated figure on June 30, 1955, will be 195,000.

The comparative appropriations are as follows: For the fiscal year 1953, $73,000,000—actual expenditures; 1954, $85,500,000; and estimated for 1955, $90,000,000. The New Look, so to speak, does indicate that we are emphatically placing increased reliance on a strong Reserve program and results are materializing.

Mr. CURTIS of Missouri. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. How about the high-school ROTC program; is that being continued and is the appropriation of the same amount?

Mr. FORD. The ROTC program for high schools is proposed at approximately the same level for fiscal 1955 as we had in fiscal 1954. The committee has made a recommendation in its report, as the gentleman may have noted, that it believes the Army would do well to concentrate its high-school ROTC program in those communities where there is a vigorous and aggressive interest in the program and the Army should not attempt to carry along these communities where there is no active interest.

Mr. CURTIS of Missouri. I thank the gentleman.

Mr. FORD. Mr. Chairman, another aspect of this budget as it pertains to the Army is the continental defense program. In the Army procurement and production program for fiscal 1955 there is increased emphasis on the program of guided missiles. The Nike as we all know, is our primary guided missile which we are using for the defense of our major industrial communities. The Nike has been in development for a number of years; it is now in production; installations are being installed in and around all of our major industrial communities. All of us have seen in various newspapers throughout the country stories to the effect that the Army has procured Nike sites. Inevitably, when the Army or any other agency goes into a large community, such as Detroit, Chicago, or New York, to acquire land for the installation of these Nike batteries, it must disturb the status quo. It is a prime essentiality, however, that these installations be placed in strategic locations. It does no good for the protection of Detroit to put a Nike installation many miles from that city.

I know it will inconvenience some, I know it will make some unhappy that perhaps well-developed land will have to be appropriated by the Department of Defense for these installations; but in this uneasy era where we are seeking to build up the defense of our homeland, certain inconveniences will have to be tolerated. You have to weigh all of the factors, then decide what is best overall for the greatest percentage of the people.

It might also be mentioned at this point that the Department of the Army is increasing rather drastically its antiaircraft defense program. For example, in 1950 we only had 48 antiaircraft battalions, in fiscal year 1954 we had 114, and in the fiscal year 1955 we expect to have 122.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Maryland.

Mr. DEVEREUX. In connection with these Nike sites, was any consideration given to leasing these sites rather than purchasing them outright? I know in many cases, for example, that the people are perfectly willing to lease them for a period of years at a reasonable fee so that they will be assured they will have an opportunity to take them back when they no longer are necessary. As you and I know, this whole question of the installation of Nike sites is very fluid, the picture may change from time to time, there may be new development of the weapon, and so on. Was that gone into by your committee to any extent?

Mr. FORD. I would say to the gentleman from Maryland that actually the procurement of sites for Nike installations does not fall within the purview of this committee. The Army construction program comes under another subcommittee. The gentleman from Wisconsin [Mr. DAVIS] is the chairman of that subcommittee. I do know that the Army, in every instance, made an effort to go into these areas to find suitable land which some agency of the Federal Government already owned. If such land was unavailable, then the Army, of necessity, had to seek sites from other sources. As to whether or not they have agreed to lease or purchase, I am not qualified to say. I suspect it would be

well to take that point up with the gentleman from Wisconsin [Mr. DAVIS].

Mr. DEVEREUX. I thank the gentleman.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Ohio.

Mr. OLIVER P. BOLTON. Do I understand then that the discussion of the location of these bases and the priority given the location as to various cities should be discussed when the gentleman from Wisconsin presents his bill?

Mr. FORD. I believe that is correct, because the actual construction on these sites has to be approved through the military construction appropriation bill. We have no funds in here for the acquisition nor the development of the sites themselves. The funds in this bill pertain only to the procurement of the weapons themselves and the manning of the installation after construction.

Mr. OLIVER P. BOLTON. The reason I ask the question is that the information I have is that the area which I represent is not scheduled for some time for such defense. Could the gentleman give us any idea as to the length of time this program will take for the first stage of preparedness?

Mr. FORD. I fear, in reply to the question asked by the gentleman from Ohio, that any information I might give as to the Nike installation schedule would be of the highest security information.

Mr. OLIVER P. BOLTON. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Iowa.

Mr. GROSS. On page 16 of the report, under "Manpower utilization," I note and I commend the committee for taking cognizance of being disturbed at the apparent failure to effect a full measure of reduction of military personnel assigned to routine noncombatant duties. We heard testimony on the floor of the House in connection with some bill—I have forgotten the title of it—that there are 7,500 officers in the United States military services who are on noncombatant duty. Did the committee in any way reduce the appropriation to compel the armed services to reduce this number of officers, 7,500 officers, who are not directly serving the Military Establishment?

Mr. FORD. In answer to the question by the gentleman from Iowa, I would state that we did not reduce any funds for military personnel for the Department of the Army. I would, however, state that we felt the Army could do a better job of utilizing their manpower in uniform to produce a better ratio of fighting men to overall strength, and as the result of that attitude of the committee, we commended the Army for reducing 49,000 spaces in calendar 1953 from their military tables of organization. We directly suggested that the 30,000 spaces they have under consideration now be reduced as rapidly as possible.

Mr. GROSS. But does not the gentleman think that about the only way we are ever going to reduce the 7,500 officers who are on what amounts to detached duty, not directly serving the Military Establishment, and about the only way we are ever going to accomplish a reduction is to reduce the appropriation therefor?

Mr. FORD. That is one way to do it, but I do not believe it is necessarily the most effective way. The Army, in my judgment, is making a conscientious effort to accomplish what the gentleman from Iowa seeks to achieve, and I know that our committee concurs in his point of view.

Mr. GROSS. I am glad you took cognizance of it, and I thank the gentleman.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Illinois.

Mr. SPRINGER. In the bill this year or in the hearings before your committee, has there been anything concretely done to increase the mobility of transportation of troops to areas? I am referring now to the situation we had directly after the Korean action started, when we were some 8 weeks, as I recall it, getting troops to that particular area. Has there been any effort made to increase the mobile transportation of the armed services generally along those lines?

Mr. FORD. I believe the answer is "yes." In the first place, our divisions which are presently available in the United States are better equipped to move into action immediately. As to transportation from the United States to any other area, I think the gentleman from Kansas [Mr. SCRIVNER] could bring us up to date better than I, because that is primarily involved in the Air Force troop carrier program.

Mr. SPRINGER. With the gentleman's permission, may I refer that question to the gentleman from Kansas [Mr. SCRIVNER]?

Mr. FORD. Yes.

Mr. SCRIVNER. I would say, in answer to the question, that if the gentleman read last night's or this morning's papers, he would have seen that just yesterday we had troop drops in which 500 C–119 troop carriers were used in maneuvers on the east coast. That is merely a sample of the highly mobile military forces we have today.

Mr. SPRINGER. I am taking it, then, that in this bill, and in the hearings before the committee, without going into details, there are plans for the Army to increase that mobility; am I correct in that?

Mr. FORD. That is correct.

Mr. SPRINGER. I thank the gentleman.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Florida.

Mr. SIKES. I certainly do want to differ with my distinguished friends, for whom I have the highest regard. But certainly it was brought out clearly in the committee that this new phrase, mobile readiness, is not all that the term might signify. It is planned to have more troops concentrated in this general area where they can be moved more speedily to a danger spot, wherever it develops. But I am afraid I must insist that we do not yet have air-lift potentialities which will permit us to move large bodies, such as divisions of troops, overseas. For any large troop movement we must still depend upon the conventional ship transportation.

Mr. FORD. Is it not true that our military sea transport service is improving its capabilities?

Mr. SIKES. There is no question about that. I do not want to infer that that is not the case.

Mr. SCRIVNER. If the gentleman will yield further, I did not mean to infer that every bit of our military personnel are equipped so that they could be moved by air, but that capability is daily growing greater and we are becoming more mobile.

If the gentleman from Michigan [Mr. FORD] will yield further, I am just wondering whether he has pointed out fully and completely exactly what has happened in our Army; in that today, as pointed out in response to a question, General Ridgway gives the information that the manpower of a division compared to World War II is 17 percent greater, plus greater firepower. If the gentleman from Michigan will stress that, I think it will allay some of the apprehensions that some people have.

Mr. FORD. The point raised by the gentleman from Kansas [Mr. SCRIVNER] was the next point I was going to make. I wish to refer to the material which was inserted on pages 67 and 68 of our printed hearings. In general, it points out:

> Based upon the point factors set forth in column 1 of the attached table, a theoretical comparison of firepower indicates that the present division (17,509) with 15 percent more personnel is able to generate theoretically 84 percent more firepower than the World War II Army division.

That means, as I understand it, that the Army's present reduced strength of 19 divisions is becoming the equal in combat firepower of 35 divisions of a decade ago.

Mr. SCRIVNER. If the gentleman will yield, I was going to make that observation, also that the 17 divisions today with their present strength are equivalent to 21 or 22 World War divisions.

Mr. FORD. May I point out 1 or 2 additional facts over all?

It is most significant in comparing the strength of the free world with that of the Soviet bloc to know that we have had significant increases in ground strength by some of our allies. In January of 1953 our valiant and heroic allies in South Korea had 14 combat-ready divisions. As of June 30, 1954, approximately 18 months later, the South Korean Army will comprise 20 fully equipped combat divisions.

Throughout the world there have been other signficant increases in the strength of our allies. It is a good program where we combine our efforts along this line with the efforts of those who are as dedicated as we are to the defense of freedom.

To turn to the specific problems in the bill, I should like to give you some figures comparing fiscal 1954 with fiscal 1955.

In fiscal 1954 the Congress appropriated $12,937,406,000 for the Department of the Army. That budget was based on the contemplation that the Korean war would continue throughout the entire fiscal year. As we all know, the truce came in Korea the first month of the fiscal year; consequently, the Army has been overfinanced during this fiscal year.

The initial budget request for the Department of the Army for fiscal 1955 was $8,211,000,000. During the course of our hearings the Army volunteered reductions in their budget request for fiscal 1955 so that the net budget request which this subcommittee acted upon for fiscal 1955 was $7,754,296,000. The subcommittee proposed further reductions in the Army appropriations for fiscal 1955. The net reduction by committee action was $138,773,000. It is a relatively small reduction. I am positive the Army can do its assigned tasks within the budget recommended by the committee. I commend the Army for its attitude in volunteering to the committee the reductions which total $456,704,000.

The first section in the Army portion of the bill pertains to military personnel, Army. The committee had before it a budget figure of $4,211,300,000. The committee has recommended $4,150,479,000. The decrease totals $60,821,000. The Army in this instance volunteered reductions of $47,476,000.

The committee action involved one item of $5 million. The Department of the Army has not made satisfactory progress in reducing the various loss factors in the handling of subsistence. They have not done the best job that they could in cutting down the losses in transit, in storage, and in commissaries. The committee felt that a reduction of $5 million in this item would be a stimulus to the Department of the Army to do a better job in this area. The $5 million reduction was out of a total request in this item of $483,150,000.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. WINSTEAD. Does the gentleman know how many dependents we have in our military personnel overseas at this time? I am a member of the Committee on Armed Services and, frankly, I do not have the exact figure.

Mr. FORD. Offhand I cannot give the precise figure.

Mr. WINSTEAD. The point I want to make is this. A few days ago a sergeant came through Washington on his way to Europe. He has 5 dependents; 4 of them are children. We learned that schoolteachers were paid, I believe, about $4,500 a year plus $2,000 extra and no doubt the cost of their transportation overseas. I am not complaining about that. I think we should take care of the dependents of our military personnel, but it certainly seems to me that the Military Establishments, each of them, could select personnel and not have to send a sergeant overseas who has 5 dependents to furnish them with housing, transportation, supplies and whatnot and have to educate 4 children by importing high-priced schoolteachers. I am not finding fault with your committee. I am a member of the Committee on Armed Services. I think our committee and your committee, or someone, should look into that sort of situation. I just want to point out that this New Look that we hear so much about, and I think some of them are doing a good job, but I do not know but that we have some new people looking through the same old keyhole in many respects. I call attention to the fact that this administration, Secretary Wilson's office, has just issued a directive to close 21 schools or to break down segregation in 21 schools for dependents of military personnel. Even Harry Truman never did go that far. That is the situation where local and State school authorities are operating those schools and bearing the operation of expense, and when they carry out that directive, it will cost the Government, and I have the figures here from the Department of Education, approximately $3 million to do that. It seems to me that this crowd that is putting on the New Look might look into a few other things and be able to recommend to your committee further savings along that line.

Mr. FORD. Our subcommittee in its hearings made a number of inquiries of the Department of the Army as to why sizable family units were sent overseas. One of the reductions in this part of the budget involved transportation. Our subcommittee felt that the Department of the Army was making too many transfers too often. In order to stimulate a little more reason, logic, and economy in reference to this problem, we reduced the program $8,345,000 out of a total of $166,900,000.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. MILLER of Maryland. I do not find that we have any total figure for all of the Armed Services, but the Army, which presumably has the largest number of dependents under all the circumstances, as compared to the three services—it is estimated that they will have 30,500 children of school age. That, of course, would not take care of all the other dependents. But, it seems to me if the children of school age in the Army only amount to 30,500, it must be far less than the figure estimated.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. OSTERTAG. I would like to call the attention of the gentleman in connection with the subject of dependents that Secretary Wilson testified before the subcommittee on the subject of dependents, and he said, "Right now, we have about 300,000 men in the European theater, the NATO setup."

We have 200,000 dependents over there; in other words, according to the Defense Department figures, in the European theater there are about 200,000 dependents. I do not know that we have it on a worldwide basis.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Florida.

Mr. SIKES. The gentleman in making his statement I know wants to round out the picture in connection with the National Guard and include information on National Guard recruiting and give the committee information as to what is intended to be done with regard to National Guard and Reserve armories.

I just wanted to remind the gentleman before he left the subject.

Mr. FORD. I thank the gentleman from Florida. In the item under the heading Maintenance and operation, 1955, the budget request was $3,316,600,000. The total cut in this portion of the budget was $524,421,000.

The figure proposed by the committee is $2,792,179,000. The Department of the Army volunteered reductions totaling $409,228,000. The committee made a number of miscellaneous cuts in the maintenance and operations portion of the Army budget. Most of them are set forth in some detail in the committee report. If there are any questions I will be glad to answer them.

The next item is Procurement and production. That is where the Army makes its purchases of heavy military hardware. It should be noted that the Army for fiscal 1955 requested no funds for this program. Do not, however, be deceived; we are not stopping the procurement of guns, tanks, ammunition, and other military hardware. The fact that the Army is not requesting new money for fiscal 1955 results from the fact that the Department was heavily overfinanced in fiscal 1954.

The Army intends to obligate in this area $1,950,000,000 in fiscal 1954 plus $550 million in reimbursements from other agencies of the Government. The total of the obligation which they anticipate making in 1955 for procurement and manufacture is $2,500,000,000.

The committee recommended a rescission of $500 million from Army production and procurement funds. The rescission, however, relates only to funds that would be available in fiscal 1956.

It was anticipated that the Army out of funds already appropriated would have to begin fiscal 1956 with over $2,200,000,000 in procurement and production money. The committee felt that such overfinancing was not justified. We asked the responsible officials of the Department of the Army to come up and talk the matter over with us. After this conference the Army and the committee have agreed that we could rescind $500 million out of the $2,200,000,000, leaving the Department $1,700,000,000 in funds that they will have available now for utilization and obligation in fiscal 1956.

It is an unusual policy to let them have that much money that far in advance, but for good reasons given to the committee I think we can justify the existence of that availability.

The next item is one I am sure every Member of this body is interested in. I would doubt that there is a Member who has not been contacted by one of his National Guard enthusiasts throughout the country urging that additional funds be made available for the National Guard armory construction program. Here is what the committee did.

The President and the Department of the Army have recommended for fiscal 1955 the appropriation of $15 million for this program. There are three parts to the program: First, the Army National Guard armory construction program which is jointly financed by the States and the Federal Government, the Federal Government paying 75 percent of the construction costs and the States 25 percent. In that program out of the $15 million there is the amount of $9 million.

The second part of the overall program involves nonarmory construction fully financed by the Federal Government. It is a National Guard program, but the Federal Government pays the entire cost. Out of the $15 million $1 million would go for this part of the program.

The third part of the overall program involves the Army Reserve forces. Out of the $15 million $5 million would be allocated for that program. This is again a fully federally financed program.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Tennessee.

Mr. PRIEST. I want to ask the gentleman, who is making a very fine explanation, if he will explain in a little more detail this $9 million figure. I have heard it mentioned a time or two and I did not get the connection of the $9 million with the $15 million overall figure that the gentleman mentioned. Will he clarify that for the record?

Mr. FORD. The $9 million out of the $15 million is solely and exclusively for the joint Federal-State armory construction program for the National Guard.

Let us go back a little bit to see what the precise picture is in this program. I am referring now to the joint program only. On June 30, of 1954, this coming June, the joint program will have available out of previous funds made available $9,598,000 for utilization in fiscal 1955. In other words, the program was overfinanced in the past. The program is now beginning to move forward. But, nevertheless, on June 30, 1954, they will still have available for utilization in fiscal 1955 the sum of over $9½ million for this program plus the $9 million which we have given them in the budget we are presenting here. In other words, in fiscal 1955 for the joint program they will have $18,598,000 available for this program.

The joint armory program, which was presented to us by General Abendroth, head of the Army National Guard Bureau, indicates that out of the $18½ million on June 30, 1954, they will still have $2 million which they will not have obligated by June 30, 1955. In other words their program does not call for the full utilization of the $18½ million in fiscal year 1955. Although I have the highest respect and admiration for the fine people who are interested in the National Guard, may I say that, in my judgment, they are making a serious mistake in trying to get the House of Representatives to approve additional funds when the facts indicate the Department is not planning to obligate all the money that will be available if this bill is approved.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Maryland.

Mr. MILLER of Maryland. Is it not a fact that our committee has been very zealous in supplying or attempting to supply all of the funds we possibly could for the Reserve and National Guard components, but that in this instance we were also told that these armories were built on the initiation of Army commanders of the Regular service, who, it turned out, were not asking this year for more than $9 million in addition to what they already have and that, therefore, if we added money to this program it would be merely to put it in the pocket immediately?

Mr. FORD. I would like to add the point that this committee has recommended the full amount proposed by the President, and the Department of the Army. This amount is $5 million more than was approved in fiscal 1954.

Mr. OLIVER P. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Ohio.

Mr. OLIVER P. BOLTON. I realize the thoroughness with which the committee has gone into this, and that is why I rise to my feet, because it is my understanding that the original request from the National Guard Bureau was for $25 million, of which $20 million was to go into armory construction. Is that correct, sir?

Mr. FORD. I cannot vouch for the accuracy of that figure. If that information has been given to you by responsible authorities in the Pentagon, I would assume it is correct. However, it is not unusual for certain component parts of the Department of the Army, like any other Federal agency, to request of the Bureau of the Budget for Presidential submission more funds than are actually needed.

Mr. OLIVER P. BOLTON. I recognize that. The only reason I asked that question is because I am familiar with some of the situations under which many of our National Guard units are now serving and training, and finally, after many years of work in Ohio, we have gotten a construction program of a long-range duration set up, which we are informed, or at least I am informed, by members of the National Guard of Ohio, will be seriously curtailed if the overall request of the National Guard Bureau is greatly reduced.

Mr. FORD. I would say to the gentleman that the responsible officials in the Pentagon who represent the National Guard have indicated to this committee that they support the President's budget.

Mr. ASHMORE. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from South Carolina.

Mr. ASHMORE. The gentleman mentioned $5 million for the Reserve, if I got the figure correct.

Mr. FORD. That is correct.

Mr. ASHMORE. Is that to be used for building purposes, construction, or the general maintenance and operation of the Reserve program?

Mr. FORD. That $5 million is solely for armory construction for Army Reserve Forces.

Mr. ASHMORE. Construction?

Mr. FORD. That is correct. That program also has a sizable amount of unobligated funds. Their program has been moving forward even more slowly. That program, however, is likewise now moving forward rapidly and well. We gave them, as we gave the National Guard, all the money that they requested.

Mr. ASHMORE. All that the Reserve requested?

Mr. FORD. That is correct.

Mr. ASHMORE. May I ask another question, to digress here? I notice in the table in 1954 it was $11 billion-plus that was appropriated for the Air Force.

Mr. FORD. May I say that I would appreciate it if you would direct a question with reference to the Air Force to either the gentleman from Kansas or the gentleman from Nebraska. I would like to finish my statement on the Army if I may.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Kansas.

Mr. SCRIVNER. I think it should be impressed upon all the Members of Congress and the public as well that this committee, of all committees, has always been more than anxious to comply with the requests for the operation of the National Guard and the Reserve, because we understand and know the value of those components, and we have in almost every instance granted every single solitary dollar that was ever justified or requested.

Mr. FORD. The validity of the gentleman's statement is attested to by the fact that in the budget before us today we gave every penny for the construction program for the Guard and the Reserve; we gave every penny requested for the regular operation of the National Guard, $218,530,000; we gave every penny that was requested for the Army Reserve program. We did not cut one solitary penny from any of these fine programs.

Mr. SCRIVNER. And if they come in next year and show need for further funds, they will be given further funds.

Mr. FORD. That is correct. That brings up one point which deserves immediate attention. The recruiting program of the National Guard has been moving forward very well, and the committee is in unanimous agreement that we want that program to be pushed to the maximum. It was called to our attention in our hearings that the National Guard officials felt that there was a possibility that they might have to slow down their recruiting at a time when normally the recruiting would be more easily accomplished.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. FORD] has expired.

Mr. WIGGLESWORTH. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FORD. Within the last few days it has been called to our attention that

the National Guard people have indicated to the field, to some extent, that some units of the Guard throughout the country ought to slow down their recruiting. Our committee feels that that was ill-advised. We wish to remind the National Guard that they have on hand with the Bureau of the Budget approximately $17 million which I am sure the Bureau of the Budget would be glad to release to them, if they can justify that their recruiting program needs that additional money. Our committee will support them 100 percent in the request to the Bureau of the Budget for the release of those funds which are available.

Turning now to the National Guard program over all, as indicated in reply to a question by the gentleman from Kansas [Mr. SCRIVNER], our subcommittee recommended $218,530,000 to the National Guard. It is precisely the recommendation of the President and the Bureau of the Budget. We hope that the program will move ahead as rapidly as they believe it will, and if they need more money for additional strength, the committee would be receptive to an additional request in January. The same goes for the Reserve program. We gave the Army Reserves $90 million, which is $4,500,000 more than they had in fiscal 1954. We believe the program is moving in the right direction.

The committee cut $10 million out of research and development. The budget requested $355 million for research and development. We reduced that to $345 million, which is precisely the figure that they received and have available in the fiscal year 1954. It should be noted that although we cut research and development $10 million, the research and development program on June 30, 1954, will have approximately $44 million of unobligated funds out of previous funds which were made available to them. Our cut of $10 million will not in any way whatsoever hinder their program.

I am glad to report to the House that the committee recommended the full amount for the promotion of rifle practice, a sum of $100,000.

We made a very minor cut in the Alaska Communications System, a total of $235,000 out of a budget request of $4,470,000. The committee was pleased to note that the rates for commercial users of the Alaska Communications System were increased last July for the first time in 8 years. It was a long overdue rate increase and one which will bring into the Federal Treasury an additional $1,200,000 or $1,300,000 each year, of perfectly legitimate income. The committee hopes that the reorganization of the Alaska Communications System will take place quickly. It should be set up on an industrial fund basis.

I believe that covers the full budget request of the Department of the Army. In my judgment, the funds made available by this committee for this program will do precisely as our committee report says, namely, that with the funds available our Army will be a force which is the greatest Army ever maintained by this Nation on a full year basis in the absence of actual warfare.

Mr. MAHON. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES], a member of the Subcommittee on Appropriations for the Army.

Mr. SIKES. Mr. Chairman, the committee has brought you the military budget for the fiscal year 1955. As you know, the work of the military subcommittee is now departmentalized, and none of us can be expert on the entire military picture. I question that we can be fully informed even on one service in the time that is allotted to us for studying the budget. I think it is undeniably true that we in Congress can be only part-time budget experts, so many and so varied are the duties and problems pressing on our busy days. Consequently I am going to talk chiefly about the Army budget.

I would like to point out in the beginning that I have no quarrel with the committee action within the framework of fund limitations which were imposed by the Department of Defense and the Bureau of the Budget. Within that framework we of the committee were in substantial agreement. I have no quarrel with the action that has been taken.

In addition I want to point out that I have never received finer cooperation and more courteous consideration than that given me on my subcommittee by its chairman, the gentleman from Michigan [Mr. FORD], and by our colleague from Maryland [Mr. MILLER], both of whom have rendered able and distinguished service. I want to say that this courtesy and consideration was shown also to me by all the members on the subcommittee on defense.

However, Mr. Chairman, I must say emphatically that I am not enthusiastic about the budget picture which has been presented to us, and particularly does that apply to the Army portion of the bill.

May I point out that last year the Army had $12,900,000,000. Its staff was told to cut to the bone in preparation for this year's estimate. After having cut to the bone, the Army still requested an appropriation of $10,100,000,000. They felt that was as low as they could safely go and do the job with which the Army is entrusted.

Actually the Department of Defense and the Bureau of the Budget recommended to Congress not $10,100,000,000 but $8,200,000,000, and of that amount this committee is recommending that the Army be given $7,600,000,000. That means that the Army shall have to operate with one-fourth million fewer men than they would have had and without important reserves of supplies and equipment possible with the $10,100,000,000, which they thought was the safe minimum.

Yet the Army still has highly important worldwide responsibilities but little different from those of a year ago.

I feel I should in all fairness point out that the cut in the Army's funds looks bigger than it actually is, because it comprises in part funds which will be restored by Deutschemarks, which will be paid to our forces by the German Government; there are some voluntary reductions by our Military Establishment because of the reduced program under which they were told they must live; and there is a carryover of unexpended funds from previous appropriations.

I think that fact in itself is fortunate, because the conditions under which the New Look in defense was developed no longer exist. I should point out that the budget preparation for this bill, which is now before you, started in the Department of Defense a year ago. A year ago there was a lull in world tension. Peace had finally settled over America's fighting men all over the world. A meeting of the Big Four was being talked about. There were indications that peaceable readjustments of the world's problems might at long last be within reach. Perhaps that is the reason the New Look in defense was devised—because of the desire for peace; because of a desire for economy. I certainly subscribe to those two things. Everyone does. So possibly that desire for peace and desire for economy led to a proposal to substitute in part for military strength a state of watchfulness and readiness with increased mobility and improved weapons.

But, in any event, the cut in the size of the Army which has been proposed is a very real cut, and that is what we are voting on in this bill. Let me point this out: No longer is there a lull in world tension. The meeting of the Big Four brought us no nearer to peace than we were. No conference with the Reds has achieved anything more than compromises. A fire rages in Indochina today which overnight may break out into a world conflagration. The cooing of the Kremlin dove has long since ceased. War may come for us in Indochina tomorrow. Nobody questions the strategic importance of Indochina to the free world. We recognize that if Indochina should go Communist, it may be only a matter of time until the entire Pacific, including Japan, the Philippines, and Australia will go Communist too. I need not stress the gravity of such possibilities. It is not a pretty picture. France is vacillating. France may pull out of Indochina if the Geneva Conference is not more productive than other conferences with the Reds have been. She is vacillating on the EDC program which would permit a buildup in strength by the democracies in Europe. She refuses to send draftees to fight beyond her own borders. She refuses to permit a buildup of the forces of the Vietnamese troops comparable to that of the ROK forces. These we built up in what was one of the outstanding jobs of troop-training ever accomplished by any army anywhere. It was such an outstanding job that three-fourths of the battleline in Korea was manned by native troops when the fighting finally ended there. France has not permitted that sort of native troop buildup in Indochina. If France pulls out of Indochina we may be forced into the void. But whether or not American forces become involved in Indochina, we are not out of the woods elsewhere in the world. I want to quote from Gen. Matthew Ridgway on that. I do not need to tell you who he is or what his achievements are. He is one of the outstanding combat soldiers in uniform today. He is the man who reshaped the wrecked and

battered American forces after the Chinese break-through in Korea and with those rebuilt forces drove the Communists back across the 38th parallel. He made a very clear statement of the danger which still confronts us when he said this before our committee:

I want now to present a brief analysis of the world situation in order to develop the background against which the problems facing the Army can best be appreciated.

There is no reason to expect abandonment of the ultimate intentions of the Soviet bloc to bring about our downfall, nor any reason for expecting any Soviet concessions on the major problems contributing to present international tensions. On the contrary, from our point of view, the strength of all major components of Soviet bloc military power continues to increase. Industrial capabilities continue to expand, and the bloc's overall objectives of overthrowing the Western World and securing world domination appear as unchangeable as ever.

He continued further:

The military power ratio between western defensive capability and the Soviet bloc's offensive capability is not changing to our advantage.

And yet we propose despite today's ominous situation to depend more and more on pushbutton warfare; more and more on superweapons. We are not ready to do this. It will not be possible to do so during fiscal year 1955. The sad truth is we have neither the weapons in quantity nor the men trained in their use.

Oh, the ones that we have are excellent and more are coming off the assembly lines all the time. We are getting ready as fast as we can, but we will not have them in quantity in fiscal 1955 nor for a long time to come.

I recall another period; I recall a time not too long ago when we depended on superweapons to prevent war. We felt that a monopoly of atomic weapons would prevent war. At one time when we had that monopoly. Remember? That was the pre-1950 New Look which brought us to the brink of disaster in Korea. There we were not saved by atomic weapons, not by the superweapons; but by heroic exertions and by hastily rebuilt conventional ground forces.

If this budget should be the pre-Indochina New Look we will find ourselves in serious trouble. We have again rebuilt our ground forces into a position of great military strength. Now we propose to cut that strength. I am reluctant to see us place too many eggs in one basket.

A few months ago the first hydrogen bomb was exploded. That carries a deep and sinister meaning to every person. We have achieved the ultimate in destructiveness. With half a hundred such bombs we could destroy the major cities of the world and most of its productive capacity. But by the same token our cities and our industries could be destroyed with similar weapons.

But remember this too. Since the end of World War II Russia has maintained in being large ground forces including mechanized and armored divisions and an effective tactical air force much greater in numbers than those of the free world, and during this time they have also been producing atomic bombs and building a strategic air force capable of delivering nuclear weapons on targets in the United States. But had you thought of this: In this struggle for atomic supremacy it may not be long until we have reached a plateau where the forces of communism and those of the free world will have neutralized each other in the field of atomic warfare so that each would be fearful of employing such weapons against the other because of the fear of retaliation directed at their homeland. We may find ourselves in the same position that we were in in World War II with reference to gas warfare when neither side was willing to initiate the use of such a terrible weapon. We may be reaching the point where no one will dare pull the trigger on that last total war that could destroy all of us, friends and foe alike.

It is much more likely that we will continue to have brush fires like Korea, like Indochina, with which this budget does not fit us to cope. It may be that the Russians have carefully laid a trap in which we are about to walk.

I state this without equivocation, the Army will lose combat effectiveness under this measure. Because of the New Look it will lose combat effectiveness at a time when it may be very dangerous to do so. And again I quote General Ridgway, who said this:

I should like now to review the missions and commitments with which the Army has been charged under our national defense plans. These are of great concern, since we are steadily reducing ground forces, a reduction through which our capabilities will be lessened while our responsibilities for meeting the attacks of the enemy would remain unchanged.

I fear that we may be again placing ourselves in the peaks and valleys system of rapid and costly buildup during emergencies, which has characterized all previous emergencies and has resulted in great cost, not only in dollars but great cost in lives as well.

I feel that I must point out to the House, as I have done before, that there is no shortcut, no cheap and easy way, to win a war. We cannot coast to victory. It is our responsibility to do all that we can to be prepared for any emergency and to pray to God that the leadership which we have, or which may be called into service, can help us to find peace without war.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I would like to congratulate the gentleman from Florida for one of the most statesmanlike discussions I have had the privilege to hear on the subject of preparedness in this atomic age. May I ask the gentleman if he will yield for a question, either himself or the gentleman from Kansas [Mr. SCRIVNER], with regard to the Air National Guard program?

Mr. SIKES. I shall be glad to yield to the gentleman and will share the time with the gentleman from Kansas.

Mr. EDMONDSON. I was very pleased to note that the appropriations bill provides for an additional appropriation of about $12,900,000 over the 1954 figure for the Air National Guard, giving a total of $160 million for the new fiscal year. But I was disturbed to look over on page 34 at the breakdown of the wing and squadron strength of the National Guard and to see that the wing and squadron strength will remain the same through 1955, 1956, and 1957 under the proposed plan of operation for the Air National Guard. I am wondering if there is any possibility of getting more strength for this orthodox defense of our country which is so important and which provides us so much defense at such a great return for the tax dollar.

Mr. SIKES. I share the gentleman's feeling about the National Guard and the Air National Guard. May I say that only the Army National Guard part of the budget was presented to my subcommittee. We will have a buildup in the Army National Guard which will permit an additional 100 units during the coming fiscal year. I yield to the gentleman from Kansas to give the picture as it affects the Air National Guard.

Mr. SCRIVNER. The strength which the gentleman has read from page 34 has been the program for some time. If he will read the hearings starting on pages 776 and 777 he will see that the Air Defense Command, in reference to the Air National Guard—and we do not underestimate its value a single bit; as a matter of fact we have suggested it should be tied in more closely with the air defense of this continent—has asked that the National Guard make quite a few test mobilizations. The result has now demonstrated, as will be found on page 787, the feasibility of selecting our National Guard units to be consolidated in fairly closely with air defense, and that the Air Defense Command has now requested that this program be extended to a number of our National Guard locations. Not shown in the hearings, but in other discussions, in view of this situation there is now under way in the Defense Department a study which looks forward to some expansion of the Air National Guard and its closer cooperation with the air defense of this continent.

I think that all the way through our National Guard—General Wilson this year and General Ricks last year—is very well satisfied with the progress made and the type of program for the National Guard.

Mr. EDMONDSON. I appreciate that.

Mr. SCRIVNER. And I should note, too, that each passing month more and more of the newest and best jets are going into the hands of the National Guard.

Mr. EDMONDSON. That is very fine. My understanding of the facts is that we get good defense in the air on about one-fifth of the cost per plane and operation and fighting cost through the Air National Guard that we get over in the regular Air Force. I do not say that in any way reflecting on the Air Force itself but simply as an indication of what can be accomplished by putting more money into the Air National Guard program.

Mr. SCRIVNER. Let me at this point further comment that all the equipment and material in the hands of the National Guard is always readily available and usable; it is always in good condition, and that was demonstrated in Korea when all of our National Guard equipment was immediately turned over to the Air Force, and that was one of the things that helped so tremendously. As an old National Guard man, and as many of you are, we are never selling any of them short.

Mr. EDMONDSON. I thank the gentleman.

Mr. ASHMORE. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from South Carolina.

Mr. ASHMORE. I want to commend the gentleman on his statement, particularly with reference to the Army. He seems to be an expert in that field. My question pertains to the reduction in force which I believe you stated was some 250,000 in the Army.

Mr. SIKES. That is the reduction in force below the level which would have been possible under the budget figure which was requested by the Army as the lowest figure with which they felt they could carry on their responsibilities during this period.

Mr. ASHMORE. The next question is with reference to the appropriation and the reduction of $5 billion for the Army in this appropriation bill. Is that great reduction to be accounted for in merely a reduction in personnel? In other words, is that not a large reduction just because of the fact that 250,000 have been reduced in personnel?

Mr. SIKES. Those are servicewide reductions. They apply in practically all fields, and a substantial part of it, of course, is due to the fact that we are not having to provide in this bill for production and procurement.

Mr. ASHMORE. With some of the authorizations already made, would that naturally take care of the matter?

Mr. SIKES. There is some carry-over money which will be used during fiscal 1955 which does not show in this budget but it means a reduction in the future preparedness status of the Army.

Mr. ASHMORE. In other words, this reduction of $5 billion does not necessarily affect the efficiency of the Army, would you say?

Mr. SIKES. I cannot agree to that. It most definitely affects the efficiency of the Army in an adverse way.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Massachusetts.

Mr. WIGGLESWORTH. With reference to the $5.3 billion reduction, is it not a fact that in the appropriation for the current year there was carried something like $3.2 billion for procurement and production, and I do not know how much, but well over half a billion for Korea which are not included in the 1955 picture?

Mr. SIKES. That is correct, and it also is true that we are using carryover production and procurement funds for fiscal year 1955 rather than adding to our equipment stocks for war reserves, which we would otherwise have done. That in itself could get us into a serious problem in the event of a new conflict. We will have a smaller reserve of essential equipment.

Mr. WIGGLESWORTH. But, for a fair comparison, the $5.3 billion should be reduced, should it not, by at least $3.7 billion?

Mr. SIKES. As I have stated before, the cut is not as big as it looks because of carryover and other things, but it still is a serious cut. Again I quote General Ridgway:

> The imposition of expenditure ceilings for fiscal year 1954 and fiscal year 1955 has required a reappraisal of our materiel readiness objectives. Cutbacks and even cancellations of procurement contracts have had to be ordered. As a result, the active production base will be severely reduced. Under these new limitations, additional war reserves of only the most critical combat-type items will be procured. These additions are considerably less than amounts previously scheduled for delivery.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 25 minutes to the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. Mr. Chairman, this measure we are considering today has been described by my distinguished colleagues as one that is very vital to our national defense and national existence. Of course, that is in no sense an overstatement. Our national welfare is at stake, and if we make a mistake in this particular bill we may have to pay very dearly for it.

The members of this subcommittee, the nine of us who have worked months over this bill, have certainly been conscious of that fact. This is something no one can just glance at, but must look hard at it, and then look some more and wonder whether or not we have done what is best, and then hope that maybe we will get divine inspiration and somehow succeed in bringing out the right answer.

Certainly in no sense, so far as our subcommittee is concerned, has this been a political matter. It is far too serious for that. The lives and welfare of all of us and all we hold dear ride on the success or failure of the program of our Defense Department. It is the function of this particular bill before Congress to give it the necessary sinews to carry out a plan.

As my very good friend, who is in my opinion one of the most able Members of the House, and who just preceded me in this, well, the gentleman from Florida [Mr. SIKES] has said, we are making a rather sharp cut in some particulars with respect to the personnel of the Army which is one of the three forces that is part of this essential team and the one to which our panel has given the greatest study. Figures are rather deceptive. There are many ways you can come at figures. For instance, if you will look on page 15 of the committee report, you will see that the Army will have available for obligation or expenditure during the coming fiscal year, under the bill as recommended by our committee, only some $400 million less than it had for the current fiscal year. That came about in various ways, but one of the factors was that the previous bill provided for carrying on the shooting war in Korea for a full year, if necessary. Actually, the shooting war only went for about 1 month after that and there was a large carryover of funds. Nevertheless, we are admittedly reducing the numerical strength of the Army in a time of great world tension. Of course, it becomes important to look most carefully into the factors involved, lest we make a grievous error.

I think it would be worthwhile to look at the background in a rather broad way in approaching this problem. We are opposed by hostile peoples that are primarily Oriental in their thinking. Patience is their nature. Long periods of time mean nothing to them. We ourselves are as a people impulsive. We want to rush in and get things over and done with. We have been told by our enemies that they expect us to defeat ourselves. They expect us to allow impatience or our fears or enthusiasms to wreck the capitalistic system.

That brings us to the so-called New Look. It is a trite phrase but it does not really express anything in one sense because our Defense Department must of necessity keep looking all the time, and every day there is a new look. That is the way it should be. But we find that in the past year there has been one very important change in the thinking of our leaders that has crystallized and that is perhaps the foundation of the so-called New Look. That is the giving up of what has been referred to as the D-day concept.

As you know, when we met with the sudden developments in Korea in 1950 we found that our defenses were woefully weak. We feared an almost immediate, sudden hostile attack. We started in on what is known as a crash buildup, to get as strong as we could as fast as we could, and cost was secondary. Then as time went on although we had not attained a sufficient defensive posture and the expenses and national debt were mounting it became obvious that a change in plan would be forced upon us one way or another. So, in the past few months the D-day concept has been discarded. Secretary Wilson has said that the D-day plan meant to him "disastrous war on depression," in either case a calamity. There are many factors which go with arming as fast as we can that are not only expensive but in the end may be disastrous.

Every day the change in weapons, the change in techniques, the change in know-how, make what we stock up with today obsolete tomorrow, or obsolescent, at least. Should we fill our shelves with munitions, procure everything we could possibly need for the outbreak of war, then our factories would close down, our assembly lines would shrink, our production base contract, and then should we get into all-out war we might be worse off than if we had less on the shelf but more on the production line.

Of course, the fundamental thing is that to keep our powder dry we must keep our economy sound. If we spend ourselves into hopeless debt we could lose that way, too. So it becomes neces-

sary, if we discard the D-day plan, the plan of getting ready as fast as we can for war which may never start, and which because of our moral code we can never start, to have another program.

Those responsible for our overall planning have a difficult, probably the most difficult, role any trainers, managers, field marshals have ever faced because we cannot fix the time of a war. We will not start world war III, but our enemies are capable of opening up the action at any time. So we find ourselves in this preparedness race like a runner who is starting a race but does not know whether it is going to be a 100-yard dash or whether it is going to be a marathon. Obviously, if he is going to start off at a 10-second clip, he would not be able to hold out for twenty-some miles. The same thing is true about our defense planning because if we hit such a fast pace in preparedness, and in a year or two we spend our strength and are out of breath at the end, our enemies, if they strike, will pick the time that suits them and not the time that we are most ready, and we might be like the distance runner who has burned himself out in the early laps of the race. So the New Look requires a military posture that is sufficient for the needs of the hour and can be maintained for years to come. Whether we are to start out at a rapid pace or whether we are to go on for years and years, it must be within our economic capacity. That, then, is the reason for the stretchouts that we hear about, the maintenance of our production bases, the efforts at economy. We must bear in mind that the purchasing power of the American dollar is the ultimate ammunition we have with which to face the future.

The increased firepower we have heard about, the increased strength of our allies, and the strengthening of our Reserve forces has made our thinkers believe that we can maintain our posture of readiness, and at the same time, as things are today, make reductions in the overall numbers we have in uniform. Of course, except for insurance, there is nothing more wasteful than large bodies of troops that are not fighting or fleets of ships of war or planes that are not in use. They are diverted from anything productive economically and they consume vast wealth. Therefore, if we are to be ready so that we can win this race even if it is a marathon race, we should hold standing forces at a minimum consistent with safety. On the other hand, we dare not have too few. What is the formula? The formula that has been brought to us represents the final thinking of the best military minds of our Nation. Our committee has gone through it, and that is the reason that we come before you today with this particular bill, believing that it represents the best that the combined wisdom of all our experts can produce. It does not necessarily follow that the leaders of the Army would not rather have a larger Army. I am sure that if I commanded the Army I would want a larger Army. It would be only natural that down in his heart General Ridgway would prefer to have larger forces. Nobody likes to work shorthanded. But if we are to succeed on a long-haul basis, and if we are going to be ready for a marathon, we have to do everything a little bit shorthanded now so that we may have something in reserve when the time comes to sprint.

The Army has made some very strong efforts along those lines. I think its leaders deserve to be complimented in many fields. Of course, your committee has made cuts here and there, but a number of major cuts have been volunteered by the Army so that they, themselves, have reduced what they initially felt was necessary. They deserve commendation for the progress they have made in cataloging, in the property-accounting system, supply management, stock fund, and industrial funds, all leading toward the ideal of getting more for the taxpayers' dollar, more defense for less money.

One of the things that has concerned our panel has been deferred maintenance. We have provided additional funds in the bill, more than we asked for as a matter of fact to protect our military plants. We have been pleased at the programs of reducing the use of military personnel for nonmilitary functions, particularly in overseas areas.

It has been brought very strongly to the attention of some of us who looked at some of our overseas installations that in many cases a native civilian can be hired for about one-fifth of the cost of maintaining an American in that area and without adding American dependents overseas. We wish to see the Armed Forces encouraged in using nonmilitary personnel where they are available.

The concentration of our uniformed men into combat roles therefore has received the encouragement of this committee.

Another very important matter in preserving our overall readiness is to have a strong civilian component for each subdivision of our defense department. We have been told that there is a very careful survey being made with the idea of improving, developing, and making more ready and strong the Army Reserve. I hope those plans will materialize.

We have suggested in our report on this bill that additional active duty training be provided for members of the Reserve components who would not normally be able to go for 2 weeks' summer training because of their inability to join up with some organized Reserve unit on a pay status.

We have, as my colleagues have pointed out, provided all the funds whether for armories or whatnot that have been asked for the Reserve and National Guard in the budget requests. We have gone so far as to say that should the National Guard recruiting program go better than anticipated and should it require additional funds, our committee would certainly look favorably upon supplying such funds at some later time if they are needed.

We have, if you please, then accepted as the best that we can bring before this body a plan that is in substantial accord with the budget requests made by the Department of Defense. This, in turn, is the composite judgment of the leaders of our Defense Department, both military and civilian. I trust that what we have brought to you is, in military parlance, an approved solution. I hope that it will meet the needs of the hour. I think I can assure you that if it does not, it will not be because the hearts and efforts of those of us who have worked on this during the past year have not been both sincere and continuous. I hope that we have brought you the proper answer, and I hope that the House will concur in what is our best effort.

Mr. MAHON. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, in these perilous times the appropriations for our Nation's security deserve the closest scrutiny.

I find myself especially concerned over the adequacy of the proposed appropriations for the Air Force. It is true that the money recommended for the Air Force is less than 38 percent of the defense appropriations. I think we all realize, however, that this percentage is not a measure of the importance of the Air Force's role in our Nation's security. Certainly we have all come to recognize the predominant part which airpower must play in our country's defense.

The bill now before us contains about $380 million less than the President requested for the Air Force. This represents a reduction of only a little more than 3 percent. I think it would be only natural for the Congress to tend to accept this proposed reduction because it seems so small. Certainly it seems like small potatoes compared with the $5 billion cut in the Air Force appropriations pushed through by the Republican Party last year. Yet I am afraid that this reduction of $380 million may well represent the straw that broke the camel's back.

I am no longer arguing that we should have a 143-wing Air Force by 1955. I recognize that because of the actions taken last year it is not possible to create that force in the time remaining. We are forced, therefore, to accept the calculated risk involved in stretching the buildup of our airpower from 1955 until 1957.

I do not feel, however, that this Congress should place the 1957 Air Force goal in jeopardy by again cutting the Air Force appropriations.

I realize that last year this House cut the Air Force budget below even the President's request and that most of the House's cut was subsequently restored by the Senate. I realize that the cut proposed this year may be a well-designed political move to show that this House is interested in economy with the knowledge that the Senate will have a chance to restore this cut if it appears desirable. I think, however, that when we act from such motives we are abdicating our responsibility as representatives of the American people. We should act upon this bill to the best of our knowledge and ability. We should vote as though the action was final. We should not attempt to salve our consciences through the knowledge that this bill must still be presented to the Senate.

I have read the committee's report carefully and with great interest. I know that the members of this committee have labored long and hard in an attempt to come up with a bill which will give us adequate security at minimum cost. I feel, though, that they may have been too close to their subject. With all due respect to the members of the committee, I feel it is up to the House to make sure that they have looked at the Air Force appropriation in its proper perspective.

It is gratifying to see that the committee has not made any cut in funds for Air Reserve personnel and the Air National Guard. I think their action reflects their appreciation of the role which our citizen Air Force must play in the security of a democratic country.

Certainly I have no quarrel with the reduction of $3 million in the appropriation for contingencies. As a matter of fact it was encouraging to see that this particular reduction was recommended by the Air Force itself.

I was also pleased to see that the committee made no cut in aircraft and related procurement. I cannot refrain from pointing out, however, that this category was cut so drastically last year that I cannot foresee anyone's having the temerity to reduce funds for aircraft procurement this year.

I am very much worried, however, about the proposed cuts for major procurement other than aircraft, research and development, maintenance and operations, and military personnel.

The committee seemed to feel that the cut in procurement was justified primarily on the basis of a cut in funds requested for ground powered and marine equipment. If we accept this justification, it seems to me that we are falling into the false logic which argues if it does not fly the Air Force does not need it. Nothing could be further from the truth.

Obviously if it comes to a choice between buying an airplane and providing ground handling equipment, we must first have the plane. But the effectiveness of the plane itself is limited if we do not provide adequate supporting equipment. It is the same old story of the kingdom's being lost for want of a horseshoe nail. Certainly the horse was more important than the nail. But if we are going to buy the horse, it is only commonsense to see that he is properly shod since the safety of the Nation is at stake.

Again I see that the committee is proposing to cut funds for Air Force research and development. Some people might take consolation from the fact that Army research and development is only to be cut $10 million and that Navy research and development is to be increased about $360 million. That seems small comfort to me when Air Force research and development is to be cut $21 million, to even less than last year's appropriation.

This is particularly disturbing at a time when the predominance of airpower is supposedly unquestioned. It is truly frightening when we reflect on the Soviet technical and scientific achievements in developing the hydrogen bomb. We have known for some time of the excellence of Soviet research and development through such aircraft as the MIG 15. In recent months we have seen that they are also making rapid progress with their long-range bombers. Who knows what they may be doing in the field of guided missiles with the assistance of the German scientists they spirited away at the end of the last war?

We used to be able to achieve peace of mind through our knowledge of our technical superiority. Our margin of advantage is no longer so great that we can afford to continue to be complacent in the field of research and development.

Similarly, the proposed reductions in Air Force maintenance and operations should give us considerable pause. Since this part of the appropriation is the most technical and the most dependent on expert judgment, I do not feel that—even as a member of the Armed Services Committee—I can discuss it in detail. Here, if any place, I feel that we must depend heavily on the expert judgment of our Air Force. I think it is sufficient to say that it does us no good to buy planes and to pay personnel if we do not supply enough money to keep the planes flying. Certainly it does not make much sense to buy expensive aircraft and then to be niggardly in providing funds for maintaining and repairing those planes. Yet this is apparently what the committee proposes.

Finally, we come to the subject of military personnel. Apparently most of the proposed reductions results from changes pertaining to the use of foreign credits. Some $10 million, however, is to be cut from funds providing for movements of individuals and household effects in connection with permanent changes of station.

I would be the first to agree both with the committee and the Air Force on the desirability of cutting down on transfers and extending the length of stay in a given location. It seems to me, however, that we may be jumping the gun in cutting these funds at this time. It will certainly not improve morale if dependents are prevented from joining military personnel overseas solely as a result of this reduction. I think we should wait to see the result of the expected policy changes before insisting on this cut.

In summary, I have calculated roughly that about $120 million of the proposed $380 million cut is adequately justified by the committee. This is justified on the basis of changes made by the Air Force itself, mathematical errors discovered by the committee, and changes in the use of foreign credits.

I propose, therefore, that the House restore $260 million of the $380 million cut proposed by the committee. This would bring the total to $11,079,310,000 as compared with the original request of $11.2 billion and the committee proposal of $10.819 billion. I think in this instance we might properly permit the Air Force to apportion the additional amount among the various appropriations categories.

Let us not throw on the straw which broke the camel's back. Let us not fail to provide money for the horseshoe nail for want of which the kingdom was lost. Let us not take any further calculated risk beyond that which is already represented by the President's budget.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Does the gentleman realize that a great portion of this reduction was voluntary on the part of the Air Force and that the members of the committee know the reason for the reduction?.

Mr. PRICE. Yes; and I cover that in my remarks. I am not criticizing the committee on every cut, but I am giving my views on the subject. But I think that the Defense Establishment sometimes yields too much before congressional committees. I know they have in the past and I know they have been guided frequently by pressure from the Budget Bureau.

Mr. SCRIVNER. In this instance I am talking about there was no pressure and I will be glad to tell the gentleman off the record why the reduction.

Mr. PRICE. That is true and I know of the items. Nevertheless, there are reductions in here harmful to the Air Force. There are some things in the bill I personally do not like. I am not raising any great issue on the overall appropriation, but I feel constrained to call attention to the fact that the Air Force is being cut to a great degree.

There is one provision particularly in the bill I do not like, and I cannot see how anyone who represents the Air Force could like it. I cannot believe the Air Force approved it. I refer to the one which provides for 100 hours as the maximum of flying time to maintain proficiency among our pilots. We may not feel the result of such restriction this year or next year, but I am certain over a 10-year period this one provision in the bill will be felt to the detriment of the Air Force. Certainly we cannot maintain proficiency among our fliers by placing a maximum figure of 100 hours per year. We must remember that 100 hours has always been regarded as a minimum time for maintaining flying proficiency.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 17 minutes to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, I rise in support of H. R. 8873, known as the millitary appropriation bill. The expenditures contemplated under it represent a hard, clean program, which, in my judgment, covers the minimum that is advisable for us to spend at this time, and the maximum that is necessary.

When the defense appropriation bill for fiscal 1954 was submitted last year, a vast and comprehensive review of our plan for national security was under way. That review, commanded the sustained consideration of our highest military and civilian authorities for many months. It involved a reevaluation of our objec-

tives and responsibilities in today's uncertain world. It embraced a re-study of the roles of our military services in the light of the new weapons; and it called for a reexamination of our military assistance programs.

Today, that study has been completed, insofar as such a study is ever complete, and the bill before us will help to implement the conclusions that were reached. It contemplates a military establishment of great and sustained strength, with immense striking power, if that should be needed; a military establishment of massive offensive potential and massive defensive capacity. It embraces a program which is based on the recognition that military and economic strength are interdependent, and that sustained military strength is possible only when buttressed by a strong civilian economy. In brief, it represents a program of national security within a framework of national solvency.

The program envisioned will put highest emphasis on land and carrier based airpower. It provides funds for an Air Force goal of 137 wings by June 30, 1957, and for maintaining during fiscal 1955, 16 carrier air groups, 15 carrier antisubmarine warfare squadrons, 3 air wings for the Marine Corps, appropriate air support in combat for all the services, and an increased state of readiness for Air Reserve units.

Further recognition of the increasing importance of airpower is evidenced in its provisions for 122 antiaircraft battalions in the Army—an increase of 8 battalions over June 1953.

Under the program now before you, all of the services will continue to pare down unnecessary expenditures for manpower and materiel, while pressing steadfastly toward realization of the lean, hard strength that is essential to leadership in peace or war. Economies have been effected in countless ways, beginning first and foremost in the thinking of the men responsible for our security. They have worked unrelentingly toward the goal of more defense for less money.

Among the areas where money has been saved has been the field of procurement—especially aircraft procurement, where excessive forward financing was formerly eating up millions of unnecessary dollars. You may recall, for example, that last year we found we were financing aircraft models to replace other aircraft which had not yet been built. In other words, we were tying up funds to build replacements for planes which were themselves still on the drawing boards.

That sort of thing is being eliminated.

More important, we are getting more combat effectiveness for our defense dollars. More personnel are being assigned to combat units, fewer to auxiliary and housekeeping units. More money is being spent on guns, tanks, and aircraft, and less on red carpets and chair pads. The number of civilians employed in the Defense Department has been steadily cut down, in large measure by not filling vacancies as they occur. Needless stockpiling of supplies is being curtailed. Business-type management of business-type production agencies in the armed services has resulted in further economies. Other factors which have made savings possible are, of course, the end of hostilities in Korea, the expansion of the ROK Army to replace American troops, and the inceasing strength of the NATO nations.

The bill before you is designed to implement our Government's policy of providing massive retaliatory power as a deterrent to aggression. It envisions expansion of our airpower both on land and sea, and the modernization of our other land and sea forces.

It calls for the appropriation of approximately $28.6 billions in new funds for the next fiscal year. This, together with the carryover from fiscal 1954 and previous years will make approximately $76.8 billions available to the Defense Department for expenditure or obligation in the coming fiscal year. Of the total available, approximately 28 percent is for the Army, 29 percent for the Navy, and 42 percent for the Air Force. The recommended appropriation is about $5.6 billions below the amount appropriated in fiscal 1954. I have alluded to some of the areas in which these economies have been achieved. I might add that they fall chiefly into three categories—reduction in military personnel, economies in operation and maintenance, and economies in procurement and production. Economies in the last-named categories are possible because our stockpiles of some items such as combat and support vehicles and ammunition are sufficient for present needs, when taken together with our production potential. Aircraft, ship, and guided missile procurement will continue, however, at peak level.

With respect to our naval program, which is of major concern to me as a member of the naval panel of the Subcommittee on Armed Services, I may say that this bill envisions an active fleet of 1,080 ships. This is only 49 ships fewer than were in commission during the Korean conflict, and only 4 of the retired ships were major combatant types.

The building program involved in the bill includes a new carrier of the *Forrestal* class, 5 new destroyers, a third nuclear-powered submarine and 2 submarines of the conventional diesel type and 8 destroyer escorts. The program also calls for modernization of 17 ships, including 1 *Midway* class carrier, 3 *Essex* class attack aircraft carriers which have already been modernized to some extent, but which still need canted decks; 1 escort aircraft carrier for use in Marine amphibious operations; 6 destroyer escorts and 4 Liberty hull cargo ships, which are being converted into radar pickets. In the program also are 1,040 new landing and service craft and funds for the continued upkeep of approximately 1,400 ships in the mothball fleet. I might say that the Navy has pressed steadily forward in improving and perfecting its existing equipment so that its combat capabilities are very great indeed. During the first 6 months of fiscal 1954 the second of 4 new destroyer leaders was launched; 6 new minesweepers were commissioned and 7 tank landing ships—LST's. The flight decks of two *Essex* class carriers were strengthened and equipped to accommodate jet aircraft, although they still need canted decks. Three more submarines have been converted into radar pickets to warn against surface and airborne attack.

Of the four *Forrestal* carriers which are presently contemplated under the Navy's offensive program, the first is expected to be ready in the fall of 1955, with the others following about a year apart. The carrier for which funds are sought in the present bill will be ready in 1958.

With respect to the nuclear submarine envisioned in this program, I might say that the Navy is concentrating on building a smaller and more maneuverable craft than those presently in existence.

The naval aircraft program contemplated in this bill envisions a naval air arm of 9,941 planes, some of which need to be modernized. A large number of previously funded aircraft will be delivered to the Navy during the year, however, so that there will be a steady rise in the percentage of modernized craft. Naval aircraft now includes sweptwing jet fighters of the radical tailless design, one type of which will carry and launch guided missiles. A sweptwing bomber, now in production, is designed to deliver atomic weapons from aircraft carriers.

Other new types of aircraft include specially designed antisubmarine types, and a new relatively fast helicopter for landing operations against an enemy possessing atomic weapons.

As in the other branches of the service, naval manpower is being reduced. From an estimated average personnel of 765,086 in 1954, reductions will bring the Navy's manpower strength to 682,000 by the end of fiscal 1955. A reduction of the fleet and retrenchment in various fleet-support areas will account for these reductions. There will be no impairment of combat strength.

The bill provides for a continuation of 3 combat divisions and 3 air wings, at full strength, for the Marine Corps. Here, again, however, there will be a cutback in onboard strength of the corps from an average of 241,539 in 1954 to 215,000 by the end of fiscal 1955. Despite this decrease, there is an estimated increase of 6,300 men projected for the Fleet Marine Force, which is the combatant element of the corps. Altogether, the Navy and Marine Corps appropriations, under the present bill, will come to $9,705,818,500, which is about $267 million more than was required in fiscal 1954. The increase is almost wholly for ships and aircraft.

All in all, the bill before you provides, I believe, for maximum strength at a feasible cost. It is based on recognition of the fact that, for better or worse, the world looks to the United States for leadership; and that we must lead from strength—armed strength, as well as moral strength. The two can and must

go hand in hand. Indeed, in today's world, there is no other way.

Navy budget, 1955—Summary of committee recommendations

Appropriations, 1953	$12,842,460,000
Appropriations, 1954	9,438,310,000
Budget, 1955	9,915,000,000
Subcommittee total	9,705,818,500
Compared with budget	−209,181,500

NOTE.—In addition, rescissions totaling $225,000,000 from Navy ($200) and Marine Corps ($25) stock funds.

1. Military personnel costs (MSTS rates overstated, errors in computation, change of station, travel, etc.)	$12,169,400
2. Projection of current operating savings and economies (consists largely of projection into 1955 of maintenance and operation type economies being currently realized in excess of those anticipated at time budget was prepared, as evidenced by latest forecasts of unobligated balances)	35,275,000
3. Overpricing or overfunding of various items	38,055,000
4. Liquidation cash (not required in 1955)	11,000,000
5. Research and development program	21,735,100
6. Volunteered on basis of revised plans	78,000,000
7. Foreign-currency provision (change in sec. 727)	6,500,000
8. Penalty mail	1,338,000
9. Other items (carryovers, etc.)	5,109,000
Total	209,181,500

NOTE.—All amounts are exclusive of military public works appropriations.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Texas.

Mr. MAHON. I think the gentleman is making a very fine statement and, as one of the older members of the subcommittee, I want to say that he and the other newer members are taking a very aggressive and active part in the bill and doing, in my judgment, a good job.

I rose to ask the gentleman to clarify more or less the statement which the gentleman made to the effect that the overfinancing of aircraft procurement was eating up unnecessarily millions of dollars. I think I know what the gentleman means, but I think one inference might be that this money was going to be wasted. Overfinancing aircraft would not necessarily cost the taxpayer any money if the same care were used in the procurement of the aircraft that were overfinanced as the aircraft that were precisely and more accurately financed, if the gentleman understands what I mean.

Mr. OSTERTAG. I agree with what the gentleman from Texas [Mr. MAHON] has said, except that where money is not obligated, of course it is not spent and is not tied up and therefore doing no harm.

Mr. MAHON. Yes.

Mr. OSTERTAG. But where obligations for procurement have been made which in substance applies to aircraft not built and perhaps never to be built, then it is a waste of money; and there was some of that.

Mr. MAHON. If money is obligated, still it is not withdrawn from the Treasury, nor does it draw interest, until it is expended.

Mr. OSTERTAG. I agree with the gentleman.

Mr. MAHON. I think we share the same view.

Mr. OSTERTAG. My statement at that point was that this sort of thing is being eliminated.

Mr. PRICE. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Illinois.

Mr. PRICE. I remember when all that type of information the gentleman has given used to be classified material.

Mr. OSTERTAG. In response to the statement of the gentleman from Illinois, I call his attention to the fact that all of this information appears in the records of the hearings and in the committee report.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield.

Mr. HARDY. With reference to the Navy's air strength, do I understand it is contemplated that the Navy's air strength will be continually improving?

Mr. OSTERTAG. It is improving constantly; yes.

Mr. HARDY. Can you account for the Navy's being able to reduce its maintenance force and still continue to improve its air fighting strength?

Mr. OSTERTAG. Do you mean manpower?

Mr. HARDY. I am talking about manpower to maintain and repair aircraft that they are flying.

Mr. OSTERTAG. Yes; they can continue to reduce. Of course, the plan is to increase the indigenous and civilian personnel and release the military personnel for the purpose for which they are in the service.

Mr. HARDY. The plan is to increase the civilian personnel for maintaining aircraft?

Mr. OSTERTAG. I assume they have many places where that personnel will be used.

Mr. HARDY. As a matter of fact, just recently they went through a very sharp decrease in personnel for maintaining the aircraft.

Mr. OSTERTAG. Perhaps the reason for it is greater efficiency in the operation, and in the modernization of the aircraft.

Mr. WIGGLESWORTH. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield.

Mr. WIGGLESWORTH. Is it not a fact that the improvement in the Naval Air Force is not an improvement in numbers, but an improvement in modernization?

Mr. OSTERTAG. Yes; it is a question of modernization.

Mr. HARDY. I am really just trying to get the picture straight because I, frankly, have not been able to understand it and the Navy has not been able to satisfactorily explain to me how they are able to replace the personnel with civilian personnel employed to maintain and keep in repair their operational planes and at the same time build up the strength of the Navy's air arm.

Mr. WIGGLESWORTH. The increase in strength is represented in improved models of the planes rather than in the numbers of the planes. The number of operational planes is at the peak now and will continue at that point in the future.

Mr. HARDY. The number of operational planes will continue at its present level?

Mr. WIGGLESWORTH. That is correct.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I am glad to yield.

Mr. TABER. Is it not also true that the present methods include purchasing only the spare parts that are needed and not a lot of things that they did not need and that that will have a great effect upon the maintenance operation?

Mr. OSTERTAG. It will have a very decided effect.

Mr. HARDY. Does the gentleman contend that that will reduce the amount of time required to maintain these planes?

Mr. OSTERTAG. Of course, you are assuming in your question or in your statement that reduction in military personnel in the Navy is automatically applied in maintenance of aircraft and that is not true.

Mr. HARDY. No, I am thinking in terms of civilian personnel.

Mr. OSTERTAG. Well, the same policy and practice would apply, whether civilian or military.

Mr. HARDY. Only recently there has been between a 5 percent and 10 percent reduction in the overall civilian maintenance personnel for Naval Air Stations. It has disturbed me for, frankly, I was hoping that the gentleman could shed a little light on it because I could not get it from the Bureau of Aeronautics.

Mr. OSTERTAG. Mr. Chairman, I ask unanimous consent to extend my remarks at this point to include the committee's recommendations with regard to the Navy budget.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WIGGLESWORTH. Mr. Chairman, in answer to the question raised by the gentleman from Virginia, I think that the decrease in personnel that he has noted merely reflects the increase in efficiency which we are getting all along the line, not only in the Navy but in other branches of the Armed Forces.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. WIGGLESWORTH. Certainly.

Mr. HARDY. I certainly hope that is true, but frankly I have not been able to see the evidence of it, and I have not been able to get anybody on a national level to say that that is the reason for it.

Mr. WIGGLESWORTH. I think the gentleman will find that it is true all

along the line this year in respect to all three services.

Mr. HARDY. I would like, if the gentleman will permit, to make a comment in connection with the reduction of civilian personnel at naval shipyards. It happens I had a phone call today announcing that there is a further decrease in employment announced in my district today in the naval shipyard. Can the gentleman comment on that situation and as to what we can expect in the future?

Mr. WIGGLESWORTH. I cannot comment on the specific action the gentleman refers to, but as I stated earlier, there has been a reduction in civilian personnel of over 151,000 in the three services since Secretary Wilson took over 15 months ago.

Mr. HARDY. Perhaps the gentleman will permit me one further observation: Returning to the air station question, which is the one that really disturbed me. We are getting a substantial reduction. Frankly, it was told me that this was made possible by the fact that new planes which had been expected had not been delivered. Now, if the new planes were not delivered that certainly is going to require more people to maintain the older ones which will have to fly. Would not the gentleman agree that that would be the logical assumption?

Mr. WIGGLESWORTH. I can only say to the gentleman that there are a total of 9,941 operational planes in the Navy at this time. That is the top level for operational planes and it will be continued in the future. In terms of modernization however you will see a very substantial increase all the way from 45 percent now up to about 87 percent in fiscal 1956.

Mr. HARDY. If the gentleman will just permit one further observation, I am certainly delighted to see that we are improving the type of planes that we have; I am thoroughly glad to see that. I also want always to see improvements in efficiency. Frankly, if I could be assured that reductions in personnel came about through improvement in efficiency I would not have a single complaint about what has happened in my district in that regard.

Mr. WIGGLESWORTH. I think the gentleman will be very much encouraged if he will look into the matter of increased efficiency all along the line.

Mr. HARDY. I thank the gentleman, but I am not sure that this has yet been demonstrated.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 20 minutes to the gentleman from Nebraska [Mr. HRUSKA].

Mr. HRUSKA. Mr. Chairman, we have had some discussion here during the course of the afternoon about the adequacy of the appropriation bill amount. I think one factor we probably should bear in mind on that particular point is that over the last 4 years and including the amount contained in this particular bill there will have been appropriated a total of $218 billion for the armed services. If we approve the bill substantially as it has been written and is now before this body there will be available for expenditure $78 billion-plus as of July 1, 1954.

For the long pull if it means anything in connection with this budget, and with the program for the Armed Forces, I wonder if it would not be well for the cost of continued maintenance of a force goal once achieved to be considered as well as its initial cost. Take, for example, the 137-wing Air Force goal. Popular thinking usually stops with the building and delivery of the planes; yet that is but the beginning, and that is where the expense really starts. Of course, America can afford and is affording the cost of building those thousands of planes which are necessary for that 137-wing goal. But after all, bases, buildings, and runways have to be built. Men have to be recruited and trained; there have to be repairs, maintenance, equipment, spares and spare parts, and then, of course, we have the replacement of planes as time goes on.

It has been estimated that the cost of maintaining a 137-wing Air Force, once it has been completely built, will approximate $15 billion per year. It is interesting to note that with the Air Force on the buildup, we have a recomendation in the pending bill for the Air Force of only $10.8 billion in comparison with that estimated cost of maintenance.

When these things are taken into consideration, it is easy to understand why it has been the desire of all to get the most for our defense dollar. The testimony which was given from time to time before the Air Force panel, discloses that tremendous strides have been made toward greater strength and efficiency in the Air Force.

Some of its major accomplishments along this line include:

First. Activation of 9 combat wings: 2 medium bombers, 1 light bomber, 5 fighter, 1 tactical reconnaissance.

Second. Activation of support units: Includes 10 air transport squadrons, 1 tow target squadron, 3 aircraft control and warning squadrons, 2 radio relay squadrons.

Third. Increase of annual pilot training rate from 7,200 to 7,800.

Fourth. Expansion of North American air defense network: (a) Activation of 10 sites; (b) reequipping of 19 sites at additional personnel cost.

Fifth. Increase in NATO support.

Sixth. Establishment of 20 additional operating bases.

Seventh. Continuation of combat-ready status of forces in Korea.

When Secretary Talbott took over in January of 1953 he testified there were about 100 activated wings, 85 to 90 of which were operational. In February, 1954, when he appeared before us, he testified that there were 112 activated wings, about 100 of which were operational. In the meantime much improvement had been made in the 85 or 90 originally operational by way of increasing their combat readiness, and by way of modernizing them; to wit, by replacing the propeller-driven planes with jet planes. A year ago the goal and the expectation was that by June 30 of this year 110 wings would have resulted, whereas the actual fact will be that on June 30 this year there will be 115 wings, plus the additional 23 wings and 67 squadrons of the reserves and 27 additional wings and 87 additional squadrons for the National Guard.

In that same period of time from June 30, 1953, to June 30 of this year, the number of active operational planes in the Air Force alone will have increased from 18,412 to 21,010.

One of the more specific instances of improvement is found in the field of military personnel. Under the January, 1953, manning standards and manpower policies, the requirements for 115 wings appeared to be 1,031,000 military personnel. Actually as of June 30, 1954, when we will have 115 wings, plus 3 essential Air Transport squadrons and several miscellaneous flying units previously considered to be beyond the Air Force capability as of that date, they will be manned with not more than 955,000 military personnel as compared with the earlier planned figure which I gave you of 1,031,000. Instead of using military personnel on the basis of 1,053,000 for 120 wings as called for by the early 1953 manpower plan, the same kind of economy actions and results obtained from them to date will enable the Air Force to man not 120 but 127 wings with fewer military personnel. Instead of using 1,053,000 for the 120 wings they would use 1,018,000 for 127 wings by the end of fiscal year 1956, and 1,042,000 military personnel to man 137 wings by the end of fiscal year 1957.

Now, that is using the plans of economy which have been put into force up to date and as are outlined in the Air Force hearings by Assistant Secretary of the Air Force White starting at page 98 of the Air Force hearings. But, the Air Force has assured us that they are confident that by introducing additional policies moving in the direction of manpower economies they will be able to effect even greater savings in this field of personnel. Testimony before the committee was that 127 wings in 1956 will be manned by 975,000 military personnel and 137 wings by the end of the fiscal year 1957 with 975,000 military personnel. It is interesting to note that originally the manpower estimates for a 143-wing Air Force were as high as 1,700,000 military personnel.

Improvement has also been made in civilian personnel insofar as reduction thereof is concerned. In the Air Force the civilian strength was about 316,000 as of February 1, 1953. Eleven months later there were 289,000, or a reduction of some 27,000 in that short time. For the entire Department of Defense, Secretary Wilson testified that from January 1953 to the end of 1953 a total reduction of about 150,000 civilians was effected, and he went on to say, "I can assure you that we have not hurt the defense effort one particle by doing it. As a matter of fact, we have improved the morale and improved the operations."

Of course, on that kind of a basis and that kind of a showing it is not hard to see why the committee was pleased with the results produced thus far in that

particular field. Great savings are reflected and effected not only in dollars but, even more importantly, in terms of services of men and the many materials and supplies and all the supporting facilities needed to sustain them while in service.

In discussing and making comparisons of previous and earlier plans with the actual experience, no disparagement whatsoever is intended of these previous plans. Certainly, no one would impute any bad faith or intentional misfiguring or improper computation of those plans, but we have been reminded here on the floor earlier today, and it is true, that we engaged originally on this program by way of a crash type of program. There were war conditions which prevailed at the time. We were working on new equipment, new kinds of airplanes, weapons, communications, and many other phases of our armament and equipment. Of course, we benefited tremendously by the experience which we have gained in the interim.

One rather notable point in that same connection is the project Native Sons, so-called, whereby foreign nationals are used for work for which they are capable if such hiring results in the replacement of military personnel who could then be assigned to combat service. There are many benefits in that type of displacement and substitution. In the first place, the rate of pay is lower. A Japanese, for example, can be hired for about $800 a year, a Frenchman for about $2,100, and I presume comparative rates of pay could be cited at other places. There is also a saving of support type activities. For example, food, clothing, housing, hospital treatment, traveling costs, and postwar benefits need not be furnished and are all items of substantial savings where the project Native Sons is employed. In addition, there results improved relationship with foreign countries where this particular practice is located or where it goes on.

Now there is contemplated by way of further improvement in the personnel field the extension of this native-son principle to the continental United States so that civilians would be called upon to take over a good part of the work of the airmen in such cases where the airmen could thereby be released to their true mission and their proper function, which is combat duty.

Questions have been raised, I understand, along that line, and a query has been put: Will that type of practice result in an undesirable and an unnecessary expansion of the civilian payroll? In the first place, there are safeguards placed around that. The substitution of civilian for military personnel is designed for use only when it will release an airman to combat duty; and, secondly, we have the protection of the financial limitations where there would be a transfer of funds from military personnel account to civilian personnel account. That would have the effect of governing that situation very well. Certainly, the favorable experience of the native-son project abroad entitles it to a fair trial here in the zone of the interior, or in continental United States.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HRUSKA. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman recognizes that this policy was severely criticized in past years, does he not?

Mr. HRUSKA. Yes; we appreciate that.

Mr. McCORMACK. What about the security investigations of these civilians who are citizens of other countries?

Mr. HRUSKA. It is my understanding that as many precautions as possible are being made and taken abroad. They are likewise being taken here or are contemplated here. There are many types of duties and many types of work which do not especially involve a question of security considerations.

Mr. McCORMACK. So that this is a new, definite policy in respect to a large-scale employment of civilians of other countries under certain circumstances?

Mr. HRUSKA. On a broad scale, yes, though it is not entirely new. It is being encouraged as much as possible, as I understand it.

Mr. McCORMACK. Suppose Americans are willing to go abroad and work there. What then? Is there any preference given them?

Mr. HRUSKA. I understand that there is not.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield to me?

Mr. HRUSKA. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Of course, to transfer American citizens abroad would defeat one of the major purposes of this program, which is economy. In other words, if we transport Americans over there, we have got to take care of them. We must provide hospitalization. Their dependents may have to go along with them. We may have to ship food to them. We may have to transport their household furnishings, and so forth. An American civilian would cost almost as much to maintain over there as an American military person. Under this program Native Son we can get five to six French or German civilians for the cost of one military.

Mr. McCORMACK. I appreciate that fact, but there are other implications involved, I am sure the gentleman recognizes.

Mr. SCRIVNER. Yes; we discussed many of them.

Mr. McCORMACK. I am glad to hear my friend admit that this is an entirely new policy that was criticized considerably in the past when it was carried on on a much more limited scale.

Mr. SCRIVNER. I have not been unaware of the criticism. We have been discussing this for quite some time. Those of us who have been overseas and watched this operate feel that it is a pretty sound program of economy.

Mr. McCORMACK. I can see the element of the saving of dollars, and I am not interposing any objections. I am simply making inquiries for the RECORD so the people will know that this is an entirely new policy.

Mr. SCRIVNER. It is not new; it is perhaps an expansion.

Mr. McCORMACK. Oh, a tremendous expansion. It was severely criticized when it was operated on a limited scale in past years and there are many implications involved that have got to be carefully guarded against.

Mr. SCRIVNER. What we are primarily interested in is making available more men for combat duties. For instance, in Japan, as was pointed out in the hearings, there was a group of American soldiers who were driving cars for the officers and some others, when they might just as well have had Japanese driving those cars. They were just ordinary passenger cars. The cost there would have been something like one-tenth of the cost of having the American soldier do that work, and he could then go into a combat unit.

Mr. McCORMACK. The gentleman's observations I am aware of, but I simply want the record to show that this is a substantial increase and for all practical purposes a new policy, so far as this expansion is concerned, in the numbers involved. The policy was severely criticized in the past, and I was wondering whether or not Americans who might want to go abroad would be given first consideration for employment; I mean, in clerical or stenographic jobs, and so forth.

Mr. SCRIVNER. My own view would be no, because the aim of economy would be defeated by that. This is relating to indigenous civilians for replacement of military personnel, not the civilian personnel.

Mr. McCORMACK. I appreciate the gentleman's frankness, but I also appreciate there are other implications involved that might be very disturbing in the future.

Mr. HRUSKA. It might be observed that there are some undesirable features of the continued employment for that kind of work of the military just as they are, and it is the balancing of those undesirable features and the disadvantages thereof against those which might inhere in the present status which resulted in the decision the way the decision has gone.

Mr. McCORMACK. Do citizens of other countries, employed by this Government abroad, have to take an oath that they are not members of the Communist Party?

Mr. HRUSKA. I am not informed on that. Maybe some of those who were abroad this summer could answer that question. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Generally the conditions are governed by the Nation itself. In other words, we cannot impose our own views and ideas upon the other sovereign nation, but in many instances there is a check made. There are some places that disturb us. We discussed that in the committee. We would like to have greater cooperation from one of the foreign nations, at least, in bringing about just exactly the situation of which the gentleman is speaking.

Mr. McCORMACK. I recognize we cannot impose our views on foreign nations, although I wish sometimes there were closer collaboration and apprecia-

tion. Nevertheless, when we are employing someone we are not imposing our views on a foreign nation. We can impose that requirement as a condition precedent to employment, because such a requirement affects employees of the Federal Government once they are employed and put on the rolls. So the condition is different in relation to an individual seeking employment than it is in relation to a government.

Mr. SCRIVNER. I think we are speaking pretty much the same language on that.

Mr. McCORMACK. I was wondering if the oath which our own citizens have to undergo, that they are not members of the Communist Party, would also be applied to such people in foreign countries. I just wanted to explore that, because it seems to me there is more vulnerability there than there might be among our own citizens as far as infiltration is concerned.

Mr. HRUSKA. I should like to comment just briefly on some of the results of inspections made by our committee; for example, the Air Defense Command, but more particularly on the Strategic Air Command.

A question has been raised from time to time whether or not the Strategic Air Command can do its job. We did make a visitation at several of the Strategic Air Command bases. We had a thorough briefing on one occasion with the committee, and on several occasions by myself personally in the command headquarters.

It is my studied conclusion that there is certainly every indication of a full understanding of its mission within the Strategic Air Command. There is every indication in the equipment, in the training of the crews, and in their morale that there is a full capability of performing its mission. There certainly is every reason to feel that the outstanding and vigorous leadership of its commanding general has made its effective mark on the command under him.

Gen. Nathan Twining, Chief of Staff, USAF, flatly answered the question as to whether SAC could do the job, as follows:

> The Strategic Air Command is the best trained and finest equipped long range striking force in the world. It is capable of delivering on short notice the highest yield nuclear weapons on targets located any place in the world during daytime or nighttime.

Those who have had an opportunity to observe and become informed are in ready agreement with this judgment.

Finally, in regard to flight pay, which earlier this afternoon was referred to briefly, page 7 of our report clears up a misunderstanding of that type and which apparently had prevailed within the service itself.

I read as follows from the report:

> The committee received testimony that the limitation on proficiency flying was, in certain instances, interpreted to restrict flying for training purposes. The history of this limitation, including the debate on the 1954 bill, includes no statement to the effect that training flying is to be limited. It is the intent of the committee that this limitation be so administered as to leave no question that training flying, as determined by the Secretary, is excluded from the limitations contained in section 721 of the bill.

Mr. Chairman, most of the important aspects of our committee report and the bill pertaining to the Air Force were ably and adequately analyzed and commented upon by the gentleman from Kansas, chairman of the Air Force panel. It is not my intention to duplicate in those areas. But I should like to join with him and with others of the subcommittee in approving the measure and urging its passage by the House.

Mr. WIGGLESWORTH. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, as chairman of the House Post Office and Civil Service Committee, I would like to congratulate the members of the House Appropriations Committee on the economies and savings to the taxpayers which have been brought about largely through the careful pruning they have made in expenditures in the Department of Defense.

I note from the committee's report on the Department of Defense budget for the 1955 fiscal year that from January of last year to February of this year—slightly more than a year—millions of dollars have been saved through the trimming of 162,161 positions, a large part of it, I understand through the process of attrition or abolition of unneeded positions as they have become vacated through retirement, resignations, and similar reasons.

Translated into terms of savings to the American people, this reduction from a staff of 1,329,795 from last year to a reduced total of 1,167,634 early this year, undoubtedly means savings of billions of dollars over a period of time.

I know the present heads of the Department of Defense have, also, cooperated in putting these economies into effect.

I was also glad to note that the committee hearings and report referred to a study reported by our House Post Office and Civil Service Committee, among others, relating to large wastes of manpower through the use of what is known as the "military counterpart" system.

In this connection, I call attention to page 5 of the House Appropriations Committee report on the Department of Defense appropriations, as follows:

> Military personnel in civilian occupations and dual supervision by military and civilian personnel have been subjects of inquiry by committees of the Congress whose general conclusions point to considerable savings through proper utilization of each category.

It is gratifying the members of the Appropriations Committee have recognized our studies in this field. Members of the committee, knowing this work was being carried on for us by Comptroller General Lindsay Warren, have been able to make reductions in personnel expenditures for the 1955 fiscal year in the military agencies in the assurance that our further studies looking toward elimination of dual staffing will make it more easily possible to attain further job reductions.

On April 11 we were pleased to release the results of a study conducted at our request by Comptroller General Lindsay Warren indicating that there are hundreds of instances of costly civilian and military manpower waste in top level supervisory jobs in the military agencies.

Mr. Warren's report, covering surveys of 11 Army, Navy, and Air Force field installations, and 9 top-level organizational units, so that a true cross sampling could be obtained, gave us firsthand information on 232 positions in the military agencies which were dually occupied by military and civilian personnel. The results were as follows:

First. In 54 cases the dual staffing was found to be unjustified, and reductions in staffing were made.

Second. In 29 cases, the justifications for the dual staffing were not yet determined, but the validity of some of these positions too appeared clearly questionable.

Third. In another 50 cases the Comptroller General's report indicated some were justified and others were questionable.

Fourth. In only 86 cases was the dual staffing found to be justified by the workload, and in another 13 cases the dual staffing was supported on the basis that the 13 military officers in these jobs needed the experience and training that the positions afforded them.

These 232 cases of dual staffing, while representing an excellent cross sampling, are only a relative few of the many instances of such staffing believed to still exist. When projected throughout the military services as a whole this sampling indicates there may be hundreds of such instances, as we reported in our release of April 11.

I note further in the report of the House Appropriations Committee that it is contemplated to make further reductions of positions totaling approximately 43,000. I hope that a good bit of this can be accomplished by a further application of the attrition principle.

Where you have a military officer and a civilian sitting side by side on a job with work for only one, one can be assigned elsewhere where his work will be more useful, without harming the efficiency of any of the operations.

The House Post Office and Civil Service Committee will be happy to work toward a reduction of the military counterpart of dual staffing, with a view toward assisting the Department of Defense in economies.

With this in mind, I have assigned to our standing Subcommittee on Manpower Utilization, headed by the able gentleman from Pennsylvania [Mr. CORBETT], the task of making a thorough investigation of dual staffing in the military departments.

In conclusion, I would like to emphasize that in the economies which we have already reported in elimination of dual staffing, and in other economies made which were not included in the figures quoted, we have had excellent cooperation in the Department of Defense. There have been some unfortunate instances where the need for self-analysis has not been recognized, but on the whole we wish to commend the many officials who have given us their wholehearted cooperation. One notable instance of this was at Keesler Air Force Base where, through the cooperation of

the Air Force, studies resulted in elimination of 158 supervisory positions; this was all at 1 installation alone, mind you.

In the further studies of our subcommittee, we also expect the wholehearted cooperation of the military branches and officials of the Department of Defense. We believe that through cooperative self-analysis we can point the way toward economies which will go a long way toward meeting the personnel reductions indicated in the new budget without endangering the livelihood of civilian career servants and without impairing morale and efficiency in the Department of Defense.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to my friend the distinguished friend from Texas.

Mr. MAHON. There is a question which disturbs me a bit in connection with the ceiling in this bill on the number of civilian employees. At one time, I believe, we carried a limitation of about 500,000 civilian employees, the classified employees in the Department of Defense.

Mr. REES of Kansas. I believe the number was set at 475,000.

Mr. MAHON. It disturbs me a little when I consider that perhaps the people in the Department of Defense would more or less fix this 475,000 figure as a floor rather than as a ceiling, if the gentleman knows what I mean.

Mr. REES of Kansas. Yes, sir, I do. I share his concern.

Mr. MAHON. It seems to me that some greater economies in civilian personnel could be effected. I think, if we eliminated the ceiling altogether, we might achieve more economy; yet, on the other hand, we do not want to turn this thing completely loose. Of course, when we provide the funds, we fix the ceiling. We have discussed in the subcommittee the wisdom or the unwisdom of the ceiling. I wonder if the gentleman has given that any thought, and if he has, what his reactions are?

Mr. REES of Kansas. I am in general agreement with the statement just made. I understand that the number of 475,000 has been reduced to 450,000. That is approximately the number on the roll at the present time. So there has been some reduction. I would like also to advise the gentleman that our Committee on Post Office and Civil Service has been making a study of this personnel problem especially as it relates to dual service or dual compensation, where we have a number of Army officers or Army personnel doing the work of civilian personnel, or putting it another way, where we have civilian and an Army officer or an enlisted man doing practically the same work. It is described as counterpart. We have been dealing with that in our committee. In fact, a subcommittee of our committee met this afternoon and had this problem under consideration. I should also tell you that the Comptroller General's office has been most helpful in making surveys for and on behalf of our committee. We have surveyed some 19 installations out of the total of 600 or 700 in this country, and we have come up with some rather important information and recommendations. In fact, we will have a report in which I know the gentleman will be deeply interested. We expect to have that report filed within the next few weeks. It will show that there have been reductions; many because of the investigations and surveys that we are making. I agree with the gentleman that there ought to be some method of handling this problem without just arbitrarily saying the number ought to be 475,000 or 450,000 or whatever figure they might decide upon.

Mr. MAHON. I wonder if the gentleman would not also agree with me that there are cases where you need a civilian, perhaps, and a military individual doing the same thing. That is not true in all cases, but I think there are instances where you need that kind of overlapping, perhaps, in order to train the military man or, perhaps, in order to insure continuity of the work, but, of course, I would not say that that should be the general practice.

Mr. REES of Kansas. I agree with the gentleman. There are comparatively few cases. In respect to these survey teams we are using, it is not a matter of going in and criticizing the agency and saying, "You are all wrong about it." We are using the services of the Comptroller General's office. They are rendering good service. They go in there and work with the agency and they are making these surveys at the request of our committee, and in a real constructive manner. When the final report is made the results will be revealing, I am sure. We have already received preliminary reports that are quite revealing.

Mr. MAHON. I think the study is important and should be pursued.

Mr. REES of Kansas. I agree with the gentleman. It ought to be pursued and continued. Again I want to thank the gentleman from Texas for his fine cooperation and service he has rendered in dealing with this problem.

Mr. WIGGLESWORTH. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, I am taking this opportunity to briefly describe and explain an amendment that I am planning to offer to this bill tomorrow. I want also to make perfectly clear what this amendment is not as well as what it is. Perhaps I had better reverse the normal order and explain first what it is not.

It is not criticism of or difference in any way, shape, or form with the President of the United States.

It is not an attempt to prejudge in any way, shape, or form the advisability, wisdom, or necessity of participating in any new armed conflicts anywhere in the world at any time.

It is not an attempt in any way, shape, or form to exercise any influence or to affect in any way, shape, or form negotiations going on in Geneva or elsewhere; and any attempt to construe it in any other fashion would be highly unfounded and contrary to the fact.

The amendment which I shall read verbatim in a moment for the record is intended to go along with and to take at face value the declaration of our great President, Mr. Eisenhower, that he will not and would not commit the United States to armed intervention in Indochina without the consent of Congress.

All this amendment will do if adopted by the Congress is to put into the law exactly what President Eisenhower has said would be his practice and his interpretation of constitutional limitations, to wit, that there should not be military adventure engaged in by a President on his own responsibility without participation by the Congress pursuant to the provisions of the Constitution of the United States, as was the case in Korea.

This amendment will read as follows:

None of the funds appropriated by this act shall be available for any of the expenses of maintaining uniformed personnel of the United States in armed conflict anywhere in the world: *Provided*, That this prohibition shall not be applicable with respect to armed conflict pursuant to a declaration of war or other express authorization of the Congress or with respect to armed conflict occasioned by an attack on the United States, its Territories, or possessions, or attack on any nation with which the United States has a mutual defense or security treaty.

Those exceptions are fairly obvious, but perhaps they had better be spelled out.

Declaration of war or other express authorization of the Congress is, of course, perfectly clear.

Attack on the United States, its Territories, or possessions is equally clear.

Attack upon any nation with which the United States has a mutual security or defense treaty includes the NATO treaties which means all the 12 powers of Western Europe that comprise the NATO organization. It includes the Inter-American reciprocal aid treaties which include all of the American nations, the pan-American world. It includes the tripartite treaty between the United States, New Zealand and Australia. It, of course, includes our treaty with Japan and Korea.

So this limitation, if adopted, would in no wise limit the freedom of action of the President to carry out treaty obligations as he sees it his duty to do under all of these mutual security pacts which already bind us to the defense of 573 million people living on 19 million square miles of the earth's surface. All this amendment will do will be to prevent, by limiting the right to use the funds, any more Koreas entered into irresponsibly by any President without the participation of Congress and solely upon his own individual responsibility.

Now, that cannot possibly apply to the present incumbent of the White House because he has already made his position clear. Unhappily, however, despite the advances of medical science, mankind has not yet achieved immortality, and if this Nation goes on there will be other Presidents in the future as there have been other Presidents in the past. It seems to me, therefore, that this is a great opportunity, the President taking the same position that this amendment would take, for the House to take action to reassert its right to participate in the most important business that any government ever transacts, the

business of war or peace, which is the business of life or death of a nation and of the men and women which constitute its population.

Here we are considering a bill which is the most important business that the House will be confronted with for some time, providing funds for the armed services. We have already through the Selective Service Act given to the administration or the President, whoever he may be, complete power over the manhood of the Nation through the power of conscription. We are providing $76 billion to be made available for the Defense Department when this bill is passed. There is no limitation upon where a President can if he chooses send those men and use those resources in war or in peace.

I submit, therefore, and I do it with great diffidence and respect for the wisdom of my colleagues, that they would do well to ponder the advisability of using the power of the purse, a constitutional power which the Congress possesses, to buttress and protect the power of determining upon war and peace, which is also guaranteed to the Congress by the Constitution but which we discovered in the recent Korean tragedy can be bypassed if a President chooses to do it.

I submit we will be subject to criticism possibly if we do not take some such action. This is not a new thought with me. I originally, 3½ years ago, in January, offered a resolution to limit the use of funds for foreign troop commitments or foreign wars without the consent of the Congress. I have introduced that year after year. I urge my colleagues, Mr. Chairman, to give this matter their most earnest consideration. It involves a vital question, vital to the life of the Nation; it involves, in my humble judgment, the whole question of the role that the Congress is to occupy in the future, the elected representatives of the people. After all, whoever controls the war-making power controls the Nation, and if we are prepared to continue to abdicate the constitutional power of deciding upon war or peace, we, the Congress, might just as well go out of business.

Let me repeat again that I cannot conceive how favorable action on this could be construed in any way as an act of weakness by the United States or could be used to undermine the position of our negotiators in Geneva and elsewhere. We are not saying by passing this amendment that the United States will not intervene militarily in Indochina under any circumstances, if it seems wise and proper and convincing evidence establishes the necessity therefor. It would simply mean that we, the elected representatives of the people who provide the blood and the sinew and the bone and provide the money, insist that our constitutional rights be respected and that there be no such armed intervention in Indochina or elsewhere, now or in the more distant future, without full participation of the Congress in the fateful decision.

The CHAIRMAN. If there are no further requests for time, the Clerk will read.

The Clerk read to the end of line 7 on page 1.

Mr. WIGGLESWORTH. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. NICHOLSON, having assumed the chair, Mr. MCCULLOCH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 8873) making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1955, and for other purposes, had come to no resolution thereon.

STATEHOOD FOR HAWAII AND ALASKA

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Louisiana [Mr. PASSMAN] is recognized for 30 minutes.

Mr. PASSMAN. Mr. Speaker, probably most of the Members of this House shared my recent privilege of seeing and hearing President Eisenhower when he delivered his nationwide radio and television address. Our President very ably and conscientiously arrested a fear in the minds of the American people relative to Communist infiltration, and truthfully pointed out that the matter of Communist infiltration in our country had been greatly exaggerated. It was a fine address. The President, in my opinion, was quite correct in assuming that Americans are troubled about communism and the methods used in combating it, but he does not wish to have the American people thrown into a fit of fear by overexaggerating the menace. Certainly he made it clear that our Nation is concerned about the implications of the H-bomb the general state of our Nation's business, and the unemployment situation.

But there is yet another matter which is deeply troubling many Americans, and not a few Members of this body, about which the President was strangely silent. I am referring to the proposals to grant statehood to Hawaii and Alaska.

Legislatively, both Territories are today closer to statehood than they have ever been. Our body overwhelmingly approved the Hawaii bill, and, as you know, a companion measure providing statehood for Alaska has been favorably reported by the Committee on Interior and Insular Affairs. The other body, on April 1, passed a joint Hawaii-Alaska bill by the same impressive 2 to 1 margin by which the House passed the Hawaii bill last year. Thus, the sole remaining impediments to statehood for the two Territories are that this House approve of Alaska, and that the President approve both.

Mr. Speaker, if statehood is now denied these two deserving Territories through failure of the Congress and of the President to close this small remaining gap, then every individual responsible for that disgraceful occurrence will richly deserve censure of history. For we will have failed not only the disfranchised Americans of Hawaii and Alaska, we shall also have failed to respond to the express wishes of a substantial majority of the people we represent.

A great majority of the Nation's press; every recognized poll of public opinion; our own mail; and yes, our own consciences, tell us that Hawaii and Alaska need, and are ready for, and are justly entitled to statehood; and that 3 out of every 4 Americans favor this action.

Mr. Speaker, the American people are fair-minded, and time and time again they have shown that they are wise; wiser by far than they are sometimes given credit for. I firmly believe that the 3 out of 4 Americans who favor statehood for Hawaii and Alaska do so, first, because they know that the colonial status of these Territories is repugnant to the letter and the spirit of our form of government; they know that if "taxation without representation," and, "government without the consent of the governed," were tyrannies 178 years ago, they are equally so today.

I believe the American people also realize that the free peoples of the world and the evil forces of international communism are locked in a battle to the death for the minds of men, and their sound judgment tells them that we are denying ourselves an important victory in that struggle when we fail to give our Alaskan and Hawaiian citizens their full birthrights as American freemen.

There are yet other reasons why this body should take prompt action to insure statehood. I would remind my colleagues that failure to act will violate the platform pledges of both of our great political parties. That of my own party unequivocally favors statehood for both Territories. The platform of the other great party pledged statehood for Hawaii, and statehood for Alaska under an equitable enabling act. In this connection I am informed that the majority leader of the other body, Senator KNOWLAND, and his equally distinguished colleague, the chairman of the Senate Interior and Insular Affairs Subcommittee, consider the Senate Alaskan bill to be equitable. Is it not fitting and proper that the Members of this body should have equal opportunity to examine and express an opinion on this score?

Too, Mr. Speaker, it would appear that the President is under equally strong moral compulsion to support statehood for both Hawaii and Alaska. Not simply because the American people who gave him his office have clearly expressed their wishes in that direction—though that alone would appear to be sufficient reason—but also because, the Denver Post reports, on Saturday, September 16, 1950, in an address to 1,500 Denverites gathered at the Freedom Bell, General Eisenhower emphatically went on record in favor of immediate statehood for both Alaska and Hawaii.

General Eisenhower said in that address, and I quote:

> Statehood for the two Territories, and granting them self-government and an equal voice in national affairs, is in conformity with the American way of life. Alaskan and Hawaiian statehood will serve the people of the world as a practical symbol that America practices what it preaches.

It is difficult to see how the President could now take a stand contrary to that clear-cut position as regards Alaska without raising in the minds of the American people the question of whether the pressures of political expediency had influenced his change of attitude. For Alaska today is not less qualified—morally and physically—than it was in 1950 before General Eisenhower became a candidate. She has, in fact, stronger qualifications, which include almost 50 percent more people than she then possessed.

Surely her need for statehood is as great, or greater, for the same factors that have throttled her economic growth are still present. The Federal Government still owns over 99 percent of Alaska's land area, and this bureaucratic grip on the Territory's economic windpipe will continue to throttle its economy until statehood brings relief.

The Federal Government still operates the Alaska Railroad—the only railroad from tidewater into the interior—and shortsightedly continues to strangulate the development of Alaska's interior by imposing tariffs which make for ton-mile costs that are eight times the United States average. Ocean freight rates to Alaska are also exorbitantly high and mainly so because of a shipping monopoly which discriminates against Alaska with the full knowledge and consent of the Federal Government.

Merchandise produced in our Eastern States and intended for Alaska would logically move westward to Prince Rupert, British Columbia, a port less than 50 miles south of Alaska's southeast tip. Under United States law, only American vessels may carry cargo to or from Alaska, and the closest United States port is Seattle, Wash., 600 miles to the south of British Columbia. Yet the same law permits the more economical movement of identical merchandise in ships of any country from Prince Rupert to any United States west coast port. Is it any wonder, in the light of such rank discrimination and shortsightedness as this, that the development of this great Territory has been retarded?

For almost 100 years Alaska has been looted and blighted as a consequence of Federal stewardship. Is it not high time we abandon this miserably performed task of absentee-management and turn the job over to the people of Alaska?

Clearly then, Mr. Speaker, the criticism of inadequate development leveled against Alaska by some critics of statehood should more properly be charged against the Federal Government. Just as surely as the flowers of May follow the showers of April will we see Alaska's economic development flower from the beneficent showers of statehood. It has been so with each of our States; it will be so with Alaska.

Then, there are those who would deny statehood to Alaska because it is not contiguous with another State. It is indeed fortunate for the great State of California that such reasoning was considered out of date 100 years ago. In 1850, when the State was admitted, Missouri was the most westerly State on the stagecoach route to San Francisco. The 1,500 intervening stateless miles of mountains and wilderness were populated mostly by hostile Indians, and the fastest stagecoach time for the California to Missouri journey was 25 days. Most travelers to Washington and New York found the 15,000-mile sea voyage around Cape Horn more comfortable and safer. It took in excess of 3 months.

Yet, California, under statehood, began to flourish immediately, despite this 1,500 mile gap, and became a homogenous part of our Federal Union? Why?

Simply because the overland journey from Ohio, Missouri, New York, and Massachusetts did not change the fundamental beliefs of California's pioneers. Nor did the sea voyage. These people remained Americans in all essential characteristics.

Is it not high time we realize that this applies equally to Alaska? For the plain truth is that 3 out of every 4 Alaskans are Kansans, Californians, Texans, or Pennsylvanians, and former residents of other States, who, following the example of their pioneer forefathers, pushed on to make their homes and seek their fortunes in this, our Nation's last remaining frontier area. And, like all Americans, they want the dignity of first-class citizenship. It is neither just nor logical that they be penalized for having exhibited the same pioneer qualities we have admired in our own grandfathers.

To contend, as some do, that the prime requisite of a State is that it physically touch another State appears to me to be confused thinking, not only in the light of precedent, but also because those who reason thusly must then concede that the Republic of Mexico, which is contiguous with Texas, New Mexico, Arizona, and California, is, per se, an eligible candidate for statehood. I cite this example to make a point because you understand, of course, that Mexico is an independent Republic and not a candidate for United States statehood. May I further add that I mean no offense to our great neighbor to the south by this reference; I should judge that her people are completely happy with their own fine Republic.

I repeat, I believe the example will serve to show my colleagues the complete invalidity of the argument that contiguity is the prime qualification for statehood. Now, Mr. Speaker, I am persuaded that the prime qualification for statehood, in 1954, should be what it has always been, namely, that the residents of the petitioning area be good American citizens.

If they are not, mere physical nearness would not make them good citizens. If they are, then the fact that it takes 12 or 20 hours to fly from Juneau or Honolulu to Washington will not prevent these citizens from becoming homogeneous Americans. I submit that the basic factor which holds us together as a Nation is not that our States are physically contiguous with each other, but rather, the tie that binds is our common loyalty to certain fundamental principles and beliefs.

If any of my southern colleagues conscientiously believe to the contrary, I should like to remind them that in 1861 the fact that we were physically contiguous with the northern States did not keep us together as a Nation. We found then that we differed in certain fundamental beliefs—and because of those differences we parted company. Or, at least, we tried to.

However, if there be those who still have misgivings about Alaska's noncontiguity, the following statistics will, I trust, provide them with some measure of reassurance.

I mentioned that 100 years ago a gap of almost 1,500 miles existed between San Francisco and Missouri, our most westerly State on the overland stage route. By contrast, it is only 870 air miles from Juneau, Alaska's capital, to Seattle, and the air distance from Juneau to New York exceeds that between San Francisco and New York by only 294 miles. Think of it, less than an hour's flying time in modern transport.

Mr. Speaker, all Christiandom has just completed the celebration of its climactic anniversary. During the Easter holidays we heard, again, the old, old story of how the Roman governor, Pilate, endeavored to absolve himself of responsibility by symbolically washing his hands. But the verdict of history has been that Pilate did not purge himself of responsibility. Historians, theologians, and you and I know he shared the guilt of the crucifixion because he possessed the power to prevent that injustice and failed to use it.

Mr. Speaker, will not Congress deservedly earn the condemnation of history and of our constituents if we permit the injustice of colonialism to continue in Alaska and Hawaii through our failure to use the power we possess? For make no mistake about it, this House does possess the power to make statehood for Alaska a reality. We need only bring the House and Senate measures into conference, and then before this body for an expression of its will. Because the time element is so vital to success, it is essential that this action be taken promptly.

If it is not, then I shall ask each of my colleagues who share my shame over the colonialism we are imposing upon our Alaskan and Hawaiian citizens to join me in signing a discharge petition. I ask this not simply to render belated justice to our 700,000 fellow citizens in Alaska and Hawaii, but because, to an even greater degree, our best interests as a Nation require this action.

For the past three Congresses, it has been my great privilege to serve this House as a member of its Appropriations Committee. I have thereby had occasion to be witness to not only the tens of billions of dollars we have expended for foreign aid, but have listened to the reasons advanced for the giving of these huge sums. Briefly, those justifications boil down to this: It was, we were told, essential to our national security that we have allies who were physically and economically strong.

Where, then, is the logic—let alone the elemental fairness—of our deliberately keeping vital sections of our own Nation, which contain vast resources and almost three quarters of a million of our own people, less strong than they would be, economically and spiritually, under statehood? Just as throughout our national history the addition of each new State has made us a bigger, stronger Nation, so, too, will Hawaii and Alaska add their measures of greatness to the whole.

In my humble opinion, the most compelling reason is this: God has seen fit to confer upon our Nation the responsibility of providing leadership for the world's free people. How can we, with reason, expect other nations to turn their backs on despotism and to treat all their peoples as free men if we callously continue to impose rank colonialism upon our own citizens in Alaska and Hawaii?

There are some who hold that our Alaskan and Hawaiian citizens are free Americans now. Mr. Speaker, whenever a people are voteless in their national assembly, are denied the privilege of helping select their chief executive, are forced to accept a governor and a judiciary who are the political appointees of the party in power in Washington, are told by law that their one feeble political right—that of selecting their own territorial legislature—is a hollow one, by reason of the fact that Congress holds the power of absolute veto over each of its acts—then, it is sheer mockery to call such men free.

When these indignities are intensified by the passage against them of discriminatory legislation which would clearly be unconstitutional if applied against a State; when they are assessed burdensome taxes without the privilege of helping determine either the amounts to be raised, or how they shall be spent; when their sons are conscripted without the dignity of having been represented in the making of the law which conscripted them; then I say that these are injustices which outstrip those of George the Third.

Mr. Speaker, I respectfully submit that the President of this Nation, and the men who with him are primarily responsible for our national policies, could profitably study those significant words of one of our Nation's greatest statesmen who incidentally was a Republican; almost 100 years ago Abraham Lincoln wrote:

> Those who would deny freedom to others do not deserve it for themselves; and, under a just God, they will not retain it.

With all my heart I believe those words to be true. And believing them to be the truth, I am convinced that the question of statehood for these Territories resolves itself, in essence, to this: Will this Nation by its action on this issue turn from or continue to pursue the path which has led it to greatness and has caused it to be the bright beacon of hope for the underprivileged and the oppressed throughout the world.

Ours, then, is the privilege and the responsibility of making a decision which will help determine, again in Lincoln's immortal words, whether "we shall nobly save, or meanly lose, the last great hope of earth." Not alone of the disfranchised Americans of Hawaii and Alaska, but of all peoples, everywhere, who look to the United States for guidance, leadership, and inspiration.

Is it not true that we have through our efforts helped to create new nations and with our financial aid helped to maintain these newly created nations? This being true, how can we possibly with good conscience continue to deny statehood for our own fellow Americans in Hawaii and Alaska?

I know that our President is a busy man, but if he would only take the time to refresh his memory on the statement he made on Saturday, September 16, 1950, in Denver, Colo., I believe that he would find his words and beliefs more compelling at this time than on that date. Even though it is repetitious, may I quote the President again:

> Statehood for the two Territories, and granting them self-government and an equal voice in national affairs is in conformity with the American way of life. Alaskan and Hawaiian statehood will serve the people of the world as a practical symbol that America practices what it preaches.

Mr. President, if the words spoken by you in Denver can be made a reality, it will greatly lighten your burden in dealing with world affairs and greatly enhance America's prestige throughout the entire world.

If the present administration will base its action on principle, then we will have statehood for Hawaii and Alaska during this session of the Congress. On the other hand, if political expediency is the order of the day, then statehood for Hawaii and Alaska may again be denied.

The American people will watch the actions of this administration very closely relative to this vital subject. What will be the answer?

Mr. BARTLETT. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I am delighted to yield to my distinguished colleague from Alaska.

Mr. BARTLETT. I wish to congratulate the gentleman from Louisiana on such a splendid speech on a subject of great importance to this Nation. May I ask the gentleman if he has been able to judge by way of personal observation of Alaska as to belief in its own development and in the development of the Nation under statehood?

Mr. PASSMAN. May I say this to my distinguished friend, the Delegate from Alaska, I have been to Alaska on several occasions. Each time I was more impressed than on the previous trip. I sincerely believe that if Alaska is granted statehood, in 25 years Alaska will be the largest State in the Union. I wish the American people had full knowledge of what is being done to hold Alaska back on account of politics.

Mr. BARTLETT. I am grateful to the gentleman for his remarks.

Mr. FARRINGTON. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the Delegate from Hawaii.

Mr. FARRINGTON. I wish to join my fellow Delegate from Alaska in extending to the gentleman my congratulations on this very timely and illuminating presentation of an issue that is of great importance to the people of both Territories.

Mr. PASSMAN. I may say to the gentlemen from Hawaii that I had no particular interest in statehood for either of the Territories, but it was my great privilige to visit not only Alaska but Hawaii. I have been to Hawaii on several occasions. In my opinion, if more Members of Congress could visit the two Territories they would come back with convictions just as deep as mine. I think the people of those two Territories are being done a great injustice by this Government through the withholding of statehood that those people have earned. The American people today, more than ever before, are wholeheartedly behind statehood. A study has been made which indicates that 3 out of 4 of our fellow Americans are in favor of statehood for both Territories.

Mr. FARRINGTON. I would like to point out that 60 years ago, when annexation of Hawaii became an issue, there was no man in the Congress of the United States whose influence was more effective in bringing about the annexation of Hawaii and the incorporation of Hawaii as an integral part of the United States as a Territory than was Senator John Tyler Morgan, of Alabama. His voice was raised as a member of the Senate Committee on Foreign Relations in support of that move which has meant so much to the people of this country. It is gratifying, indeed, in this new period of change that someone from the South should again raise his voice in support of a policy which, in my opinion, is of vital importance to the future of our country in the Pacific and in the war in which we are now engaged with forces that are undertaking to destroy us. On behalf of the people of our Territory and of those in the Far West, I extend to the gentleman my deepest appreciation for the courage which the gentleman has shown in raising this issue at the present time.

Mr. PASSMAN. I thank the gentleman. I might mention he has many friends in this House. I do not know how many Members of Congress will support statehood for Hawaii and Alaska in the event we can get the bill before us, but some of the outstanding businessmen of the South are back of statehood for both Territories. The bar association, as I understand it, has gone on record and has endorsed statehood for both Hawaii and Alaska. It is hard for me to understand how Members of Congress can ignore the request of the American people when 3 out of 4 have taken a favorable position on this issue. I hope politics can be removed from this issue. If the President will do that, we will have statehood for both the Territories during this session of the Congress.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I also congratulate the gentleman for his powerful and effective speech, which to me seems to be unanswerable. The gentleman will remember, and the Delegates from Hawaii and Alaska will remember, that in the 82d Congress both bills were brought up in this House for consideration. It happened that I was majority leader in that Congress. I programed both bills. They passed this body. The history of this particular Congress shows that the Hawaiian statehood bill has passed the Senate and the House committee has reported out the Alaska statehood bill. The matter has not been brought to the floor because a rule has not been obtained from the Rules Committee. So, we have this body passing both bills last year admitting both of these Territories into the States of the Union. We have the history of this particular session where the House Committee has reported out both bills, and in the case of the House, one of them has passed. In the other body they attached Alaska to the Hawaii statehood bill as it already passed this branch. It seems to me that the logical thing to do is to permit the bill as amended in the Senate to come up in the House for action by the House.

Mr. PASSMAN. I thank the distinguished gentleman from Massachusetts. I think the gentleman will agree with me that if we grant statehood to both these Territories it will enhance our prestige throughout the entire world, because we are telling their leaders to grant freedom and full citizenship to their citizens, yet we are denying our own citizens the right to statehood.

Mr. McCORMACK. I voted for both bills last year, and I will vote for both this year.

Mr. PASSMAN. I hope the gentleman will help us get the bills to the floor by a discharge petition if we fail to get them up through the normal channels.

THE GREAT CONSPIRACY TO DESTROY THE UNITED STATES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from North Dakota [Mr. BURDICK] is recognized for 30 minutes.

Mr. BURDICK. Mr. Speaker, there can be no doubt that there now exists a widespread understanding and agreement made between the agents of this Government and the United Nations and North Atlantic Treaty Organization to build a world government, and to make the United States a part of it, regardless of our Constitution, laws, and traditions. This is to be done in the name of peace, but will result in the total destruction of our liberty. The agents representing the United States may not be deliberately trying to do this treasonable work, but the best that can be said for them is that they are dupes. Some mighty important people who are United States citizens are not only going along with this scheme, but are daily and hourly contributing all their efforts in that direction.

What proof do we have to back up this general statement? The purpose of this speech is to lay this proof before the American people.

First of all, the people of the United States were so completely sick of war after World War II that these schemers found a fertile field to exploit. They appealed to churches, schools, and every other organization they could reach, on the basis that the way to secure peace in the world was to organize a United Nations group, and that through the machinery which they proposed to set up wars could be stopped before they started. It seemed like a plausible idea, and not knowing the sinister purpose behind the move, millions of people supported the suggestion.

The first move was made at San Francisco, where many nations met, drew up a charter, and submitted that charter to the Senate of the United States for approval as a treaty.

This document had none of the earmarks of a treaty, because the Supreme Court of the United States has held in many cases that a treaty is an agreement made between nations, to do or not to do particular things. In the case of the Charter of the United Nations, it was not an agreement between nations. It was an agreement made by the agents of several governments, and there is no contention from any quarter that the United Nations at that time was a nation with which we could make a treaty agreement. The dark forces behind this move knew that the United Nations was not a nation with which we could make a treaty, but intended to make it an integral power at the first opportunity. How these forces for evil planned to make the United Nations a nation is clear now, since they propose at this time to build a world government by simply amending the Charter of the United Nations.

Who were the principal movers at San Francisco for this United Nations Charter? Who wrote the charter, and who had the most to do about shaping its provisions? The answer is that the Russian Communists and Alger Hiss, a representative of our State Department, were the prime movers and schemers in arranging its provisions. That is the same Alger Hiss who was convicted for perjury when he denied sending secret material to the Soviet Union representatives. Its very beginning gave this document a bad odor.

The universal approval of a plan to preserve world peace had not worn off and the facts were yet unknown when the Senate was called upon to approve the United Nations Charter. The sentiment for peace was so strong that only two Senators refused to approve the charter. If the question were to come up now, a great majority would say "No."

If the real purpose of this charter was to outline a method to secure and preserve world peace, why was it necessary in that charter to make an assault upon the Constitution of the United States? Are we not already a peace-loving nation, without having to rely upon the Soviets and Hiss?

Here you see again that world peace was not the object of this scheme at all. The real purpose was to build a world government, controlled by the Communists and their dupes in the United States.

As soon as this charter was approved the courts of the United States began to hear about it. In the Fujii case in California, the Charter of the United Nations was substituted for the laws of the State of California, and that remained so for several months, until a higher court overruled the court that made this finding. It was a precarious situation, depending upon the whim of a court.

Again, in the Steel Seizure case, where the Supreme Court was searching our Constitution for some provision that would uphold the President in his action, the same Charter of the United Nations once more appeared. Failing to find any authority in the Constitution to fortify the President's position, the Chief Justice resorted to one of the most unheard-of things in American history. He produced the Charter of the United Nations as the authority for the seizure and cited its provisions in an effort to support the President's act. Fortunately for the people of the United States, the majority of the Court would not permit this communistic charter to supplant the Constitution of the United States. It was, however, a close call, and abundantly proved the need of the Bricker amendment. No one can ever tell what the next decision might be, although throughout our history God seems always to be on our side; and no matter what the political complexion of the Supreme Court may be, the decisions have upheld the Constitution.

The next assault on the Constitution is found in the Covenant of Human Rights, which has not as yet been presented to the Senate for ratification. The United Nations has amended its first draft several times, and because of the rising tide of objection to what it is doing and planning to do, the latest draft has not come before the Senate.

The subtle and fraudulent work of the United Nations in trying to prepare the people of the United States for the approval of this un-American document ought in itself to condemn its further consideration by the people and their leaders.

To prove to you that its procedure was fraudulent and totally dishonest, I wish to clearly state that the United Nations put out a Declaration of Human Rights, which, upon its face was not objectionable. This declaration was propagandized by the spreading of millions of copies among church people, in the common schools, and in the higher institutions of learning. Every civic organization was also the object of this avalanche of propaganda.

There was a cunningly designed purpose in this. It was necessary to prepare the people for the advent of the Covenant of Human Rights. When the propagandists thought the ground work had been sufficiently laid, the real human rights document appeared. It was and still is called the Covenant of Human

Rights, but it is entirely different from the propagandized Declaration of Human Rights. Here in this Covenant of Human Rights the United Nations, among other things, undertakes to do three important things, all of which threaten the Constitution of the United States. It has rewritten what is meant by free speech, a free press, and free religion. The Constitution is not in doubt in defining these three fundamental attributes of a free government. Here is what it says:

> Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

If the provisions of the document called the Covenant of Human Rights are adopted by the Senate please ask yourselves what has become of these precious constitutional rights. Here is what the covenant says about them:

> Article 15, section 3: Freedom to manifest one's religion or beliefs may be subject only to such limitations as are prescribed by law and are necessary to protect public safety, order, health, or morals, or the fundamental rights and freedoms of others.
>
> Article 16, section 2: Everyone shall have the right to freedom of expression; this right shall include freedom to seek, receive and impart information and ideas of all kinds, regardless of frontiers, either orally, in writing or in print, in the form of art or through any other media of his choice.
>
> Section 3: The exercise of the rights provided for in the foregoing paragraph carries with it special duties and responsibilities. It may therefore be subject to certain restrictions, but these shall be such only as are provided by law and are necessary (1) for respect of the rights or reputations of others, (2) for the protection of national security or of public order, or of public health or morals.

When we go so far as to hedge in, restrain and circumvent free speech, then there is no free speech. There will be no free press. There will be no free religion. Does anyone who is acquainted with these facts want to say that the United Nations is not trying to rewrite our Constitution, with the aid and support of Communists and revolutionists? Just why is it necessary to emasculate our Constitution if the only object of the United Nations is world peace? Is not our Constitution and the desire of all the people of this country in favor of peace?

It is necessary to change our Constitution in order to carry out the design and conspiracy to build a world government. Is it not perfectly clear to you now that this was the real purpose of the framers of the United Nations from its very beginning? It ought to be obvious to any fairminded person that it is the deliberate scheme of the United Nations to destroy the Constitution of the United States, and should need no further proof.

But that is not all, as the following steps will disclose. The United Nations has produced another convention, which in time they will ask the Senate to approve. I refer to the Genocide Convention. This is an appealing subject and it has caught in its net a great many good American citizens. As defined by the dictionary, genocide is "the use or a user of deliberate, systematic measures toward the extermination of a racial, political, or cultural group."

The wholesale destruction of a race or group of people for no reason at all except that they are a race or group, is against all principles of humanity, and in this country is a violation of moral and civic law. Is there anything in the Constitution of the United States, or even in the laws of any State of this great Union, that approves such crime? Why is it necessary to change and amend, abrogate and repeal, our own Constitution in order that we shall be authorized to rise up against such a moral and legal crime? The answer is that there is no possible reason for this action—if the purpose of the covenant is to prevent genocide.

This Convention undertakes to further amend the Constitution of the United States and deny the rights of our citizens under the Bill of Rights in another respect. The sixth amendment to the Constitution provides:

> In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense.

The Genocide Convention provides that a citizen of the United States, who has, in the opinion of the United Nations, libeled or injured the feelings of a race, a group, or any member of a group, shall be subject to trial for violating the covenant. Will the accused be tried here in the United States, where the crime was alleged to have been committed? No. He will be tried wherever the United Nations may decide. Will he be tried under the Constitution and laws of this country, with the safeguards provided by the sixth amendment? No. He will be tried under such laws as the United Nations World Court shall prescribe. Why was it considered necessary to take away from the citizens of this country the protection our Constitution gives them? Are our people engaged, or were they ever engaged in race annihilation?

The real, hidden, and treasonable purpose of this provision was and is to tear down our Constitution and make all citizens, who are entitled to the enjoyment of life, liberty, and the pursuit of happiness, subject to the provisions of a world court, which is already being set up to function in this supergovernment—a world government.

Do we need further proof that the real and only purpose of the builders of the United Nations was to fashion a world government and to make our citizens subject to that world government, and to strip from them the protection guaranteed them under the Constitution of the United States?

If this is not treason, then I do not understand the provision of the Constitution defining it. Section 3 of article III of the Constitution says:

> Treason against the United States shall consist only in levying war against them, or in adhering to their enemies, giving them aid and comfort.

For fear that there may be some in the United States who are not yet convinced by what I have said so far, I will not rest this case there, but will present further evidence.

The United Nations set up an organization known as UNESCO—United Nations Educational, Scientific, and Cultural Organization—for the purpose of spreading universal learning, which the promoters contended would bring the people of the world more quickly to a mutual understanding than anything else would.

There was no objection to this proposal—at least on the face of it. But it turned out to be the most dangerous, the most dastardly undertaking of all that the United Nations had theretofore contrived. Its purpose was not what its promoters said it was. It was a deliberate plan to create public opinion for the coming world government. The malicious and cowardly element of the enterprise was that it was directed to the schoolchildren of the Nation, where minds are young and impressionable, and it is patterned exactly after the Soviet teaching of the youth of the country.

These schemers knew that the United States has a strong national spirit; they knew that the average American loves his country; they knew he would defend its institutions, which had brought freedom in a new land. The plotters determined that this spirit must be destroyed, or at least minimized. So UNESCO went to work.

The first step was to train teachers at Columbia University, at the expense of the United Nations—principally at the expense of the taxpayers of this country—to teach our children ways by which they could become world citizens, and that a strong national spirit interferes with this world venture. The birthdays of our great leaders, like Washington, Jefferson, Madison, Monroe, and Lincoln were not to be celebrated in honor of these leaders, but the day of celebration should be devoted to propagandizing these children on the benefits of this future world government. They made it exceedingly plain that love for the United States and its institutions prevented our participation in such a world government.

Printed matter, radio and television were used night and day to carry on the cultivation propaganda, and to root out the love of country from these United States. This program is still being carried on, and the worst part of it is that the people who will eventually be stripped of the protection of our Constitution will pay the price of its destruction in taxes. It should now be proven overwhelmingly that the United Nations was organized to destroy the Constitution of the United States. This is all done in the name of

world peace—but who wants to substitute world peace for the liberty and freedom we have? Who wants to surrender the sovereignty of this great republic to an organization which has been assiduously at work from its very beginning to abolish our Constitution?

Two very important sessions of the world government advocates have been held in London, and in the proceedings it is made plain that the machinery for world government is already set up in the Charter of the United Nations, and all that is necessary is to make a few amendments to that charter. Many advocates of the United Nations have now come out openly for this world government. Some very influential men in public life say that we can afford to give up some of our sovereignty to obtain world peace. The propaganda for a world government has flourished in many quarters. I am here to tell you that we cannot afford to give up any of our national sovereignty for any cause.

We have the only government on earth where the people themselves rule. The government here exists for the people, and the people do not exist for the government. For over 160 years we have gone on our way with our own concept of government, and we know what freedom means. Are we fools enough to abandon our course and listen to the siren songs of those whose design it is to destroy this great Government, and fit it into a new world government with a heterogeneous collection of nations whose ideas of the purpose of government conflict with our own? Instead of destroying our national spirit, it should be increased. If other nations want to follow our example, let them do it; but to let any foreign combination direct the affairs of this Government would be intolerable and will never be permitted. It could not be done by force. And if the American people are alert and prize freedom and liberty as much as I think they do, this false, insidious, and conspiratorial scheme to subdue us will never prevail.

The world government proposes a world congress where members are elected according to the population of the member nations. This means that Soviet Russia and Red China and their enslaved comrades will control that government.

After examining this record, can anyone doubt that the United Nations was purposely set up to do to this country what could not be done by force of arms, but through the blandishments of Communists, fellow travelers, and dupes, get us to surrender our liberty without firing a shot?

There are some questions that should be answered. One of them is, "Why does this Government permit the recognition of Soviet Russia, when it is known by all, including all the administration leaders, that from the Russian Embassy here in Washington there is a constant flow to all parts of the country of propaganda that is inimical to the United States?" The next question is, "Why do we remain in the United Nations when we can plainly see that the whole scheme is directed to our destruction?" If the administration officials hide their heads in the sand for security, I am sure that the people will not.

I have faith in the American people, when they are armed with the facts.

I have faith in the Divine Ruler of this universe, who has sustained us in the past; and I have an enduring faith that He will not desert us in our efforts to maintain a government of freedom and liberty here on these shores where it began.

JOINT COMMITTEE ON INTERNAL SECURITY—DISCHARGE PETITION HOUSE CONCURRENT RESOLUTION 202

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. JAVITS], is recognized for 5 minutes.

Mr. JAVITS. Mr. Speaker, I am, today, putting on the Speaker's table a discharge petition for House Concurrent Resolution 202, to establish a joint congressional committee to be known as the Joint Committee on Internal Security and providing for rules of fair procedure for such a joint committee.

A Joint Committee on Internal Security will replace in the field of investigating subversion and communism the House Committee on Un-American Activities and the Subcommittee on Internal Security and the Permanent Subcommittee on Investigations of the other body. The rules of procedure for the joint committee provide for a clear statement, of the legislative objectives sought in the investigations; a major investigation to be undertaken only as approved by a majority of the committee; executive hearings to establish witnesses' credibility before public hearings which are likely to result in charges against individuals; the right of witnesses to counsel; the right of the witness or one adversely mentioned by a witness to have notice of this fact to make a reasonable statement in his own defense and to an opportunity for reasonable cross-examination and presentation of affirmative testimony to rebut testimony affecting his reputation adversely; a requirement that no individual member of a committee or employee may release reports or charges or material from a committee file except what is authorized by a majority of the whole committee; the broadcasting and televising of witnesses whose reputation is at stake or those whom they call in defense be permitted only with the consent of the witness and that committee members or their staffs do not write or speak about investigations in progress for compensation.

The prestige of the Congress and of the Congress' power to investigate urgently require that the procedure for the congressional investigation of subversive activities be reorganized and that it be conducted on the highest level practicable.

Excesses in congressional investigations have been materially harmful to the operations of the State and Defense Departments and the information and education program of the United States, have tended to lessen the morale of Government employees and affected adversely higher education and religion.

It is now clear that investigations of subversion and communism are in essence prosecutions, for all practical purposes carrying such effective punishment in terms of public sanctions as to make them prosecutions. Wherever the congressional power to carry them through is subject to misuse and excesses and to protect itself against them the Congress should adopt the joint committee proposal.

Two developments make it vital in the national interest that the reforms contemplated by my resolution be immediately effected. First, there is the current inquiry in the other body concerning charges against the chairman and staff of its Permanent Subcommittee on Investigations of the Committee on Government Operations and the countercharges against the Secretary of the Army and officials of the Department and, second, the developments regarding scientific personnel stemming from the activities of the same subcommittee in respect to the highly secret installations of the Signal Corps at Fort Monmouth, N. J.

In respect of the Fort Monmouth investigation, the recent statement of the Federation of American Scientists calls attention to the grave danger to our national security inherent in scientists, upon whom that security heavily depends, either not finding it attractive to work for the Federal Government or being so deeply shaken in their morale as to disrupt their work. Disruption of the scientific effort required in the national security interest can be a major national disaster and it is time to take precautions against it. The Congress has the right to investigate and to find and expose subversives in any field, including the scientific field, but it should not be done with such recklessness as to jeopardize the innocent equally with the guilty and to attenuate security procedures so far that practically no one is 100 percent clear.

The experience of the Congress with joint committees like those on Atomic Energy and the Economic Report has been good. A joint committee will have flexibility as it is empowered under my resolution to refer particular investigations to standing legislative committees or to recommend legislation for the appointment of statutory investigative commissions to handle particular investigations. Under such a procedure the current investigation of the Department of the Army in the other body probably would have gone to the Armed Services Committee which has legislative oversight over the Army.

There should be no question now about the adoption of rules of fair procedure, including reasonable rights of cross-examination, the maintenance of the secrecy of executive hearings, and responsible limitations upon characterizations of witnesses and their testimony. As soon as a new issue arose involving the chairman of the Permanent Subcommittee on Investigations of the other body, there was insistence upon rules in substance of this kind. Certainly the Con-

gress should recognize by the force of such an example that the day-to-day witness and the day-to-day person accused of communism or Communist associations should have the benefit of reasonable procedural safeguards, too, and that mandatory rules are needed to get them.

Here is an opportunity, by this discharge petition, for Members to do something about the excesses in the congressional investigations of subversion so much discussed by press and public that they have become a major domestic issue in our country. By signing this discharge petition, action can be had in an effective way to deal with the excesses while preserving in even more effective form the congressional investigative activities in this field.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD or to revise and extend remarks was granted to:

Mr. WIGGLESWORTH to revise and extend the remarks he made today in the Committee of the Whole and include extraneous material.

Mr. HILLINGS and to include extraneous material.

Mr. MILLER of California.

Mr. O'BRIEN of New York.

Mr. BYRD in two instances.

Mr. HAGEN of Minnesota and to include extraneous matter.

Mr. VAN ZANDT (at the request of Mr. WIGGLESWORTH).

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2911. An act to provide for the development of a sound and profitable domestic wool industry under our national policy of expanding world trade, to encourage increased domestic production of wool for our national security, and for other purposes; to the Committee on Agriculture.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 364. An act for the relief of the Advance Seed Co., of Phoenix, Ariz.;

S. 893. An act for the relief of David T. Wright; and

S. 2247. An act to authorize certain members of the Armed Forces to accept and wear decorations of certain foreign nations.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 4869. An act for the relief of Mrs. Bert I. Biedermann (nee Ermenegilda Vittoria Cernecca); and

H. R. 6702. An act to authorize the care and treatment at facilities of the Public Health Service of narcotic addicts committed by the United States District Court for the District of Columbia, and for other purposes.

ADJOURNMENT

Mr. ARENDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 46 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, April 29, 1954, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

1487. Under clause 2 of rule XXIV, a letter from the Assistant Secretary of Defense, transmitting a draft of legislation entitled "A bill to provide medical care for dependents of members of the Armed Forces of the United States, and for other purposes" was taken from the Speaker's table and referred to the Committee on Armed Services.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DIES:

H. R. 8912. A bill declaring the Communist Party and similar revolutionary organizations illegal; making membership in, or participation in the revolutionary activity of, the Communist Party or any other organization furthering the revolutionary conspiracy by force and violence a criminal offense; and providing penalties; to the Committee on the Judiciary.

By Mr. AUCHINCLOSS:

H. R. 8913. A bill for the relief of the county of Monmouth, N. J.; to the Committee on the Judiciary.

By Mr. GRAHAM:

H. R. 8914. A bill to provide punishment for certain confidence game swindles; to the Committee on the Judiciary.

By Mr. HYDE:

H. R. 8915. A bill to amend the act entitled "An act to consolidate the police court of the District of Columbia and the municipal court of the District of Columbia, to be known as the 'The Municipal Court of Appeals for the District of Columbia,' and for other purposes"; to the Committee on the District of Columbia.

By Mr. JONES of Alabama:

H. R. 8916. A bill to remove the requirement of automatic periodic reduction of the education and training allowances of veterans pursuing on-the-job training or institutional on-farm training under the Veterans' Readjustment Assistance Act of 1952; to the Committee on Veterans' Affairs.

By Mr. LECOMPTE:

H. R. 8917. A bill to permit and assist Federal personnel, including members of the Armed Forces, and their families, to exercise their voting franchise, and for other purposes; to the Committee on House Administration.

By Mr. McMILLAN:

H. R. 8918. A bill to provide for payment of the cost of a telephone for the office of a Member of the House of Representatives situated in the district which he represents; to the Committee on House Administration.

By Mr. PATTEN:

H. R. 8919. A bill to aid the United States in becoming self-sufficient in manganese production; to the Committee on Armed Services.

By Mr. PERKINS:

H. R. 8920. A bill to provide for the assistance of needy persons by the delivery to the States of price-support wheat; to the Committee on Agriculture.

By Mr. WOLVERTON (by request):

H. R. 8921. A bill to establish the rate of compensation for the position of the General Counsel of the Department of Commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. ZABLOCKI (by request):

H. R. 8922. A bill to amend section 8 (b) (4) of the National Labor Relations Act; to the Committee on Education and Labor.

By Mr. RAINS:

H. R. 8923. A bill to provide for the development of the Coosa River, Ala. and Ga.; to the Committee on Public Works.

By Mr. ROBERTS:

H. R. 8924. A bill to provide for the development of the Coosa River, Ala. and Ga.; to the Committee on Public Works.

By Mr. SELDEN:

H. R. 8925. A bill to provide for the development of the Coosa River, Ala. and Ga.; to the Committee on Public Works.

By Mr. LANHAM:

H. R. 8926. A bill to provide for the development of the Coosa River, Ala. and Ga.; to the Committee on Public Works.

By Mr. ELLIOTT:

H. R. 8927. A bill to provide for the development of the Coosa River, Ala. and Ga.; to the Committee on Public Works.

By Mr. ANDREWS:

H. R. 8928. A bill to provide for the development of the Coosa River, Ala. and Ga.; to the Committee on Public Works.

By Mr. BATTLE:

H. R. 8929. A bill to provide for the development of the Coosa River, Ala. and Ga.; to the Committee on Public Works.

By Mr. GRANT:

H. R. 8930. A bill to provide for the development of the Coosa River, Ala. and Ga.; to the Committee on Public Works.

By Mr. BOYKIN:

H. R. 8931. A bill to provide for the development of the Coosa River, Ala. and Ga.; to the Committee on Public Works.

By Mr. FORAND:

H. R. 8932. A bill to reclassify dictaphones in the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. MAHON:

H. R. 8933. A bill to amend the Small Business Act of 1953 to provide that loans may be made to certain small-business concerns which have suffered a substantial economic injury as a result of a drought; to the Committee on Banking and Currency.

By Mr. RHODES of Arizona:

H. R. 8934. A bill to extend the benefits of the Federal Employees' Compensation Act to certain members of the Reserve components of the United States Army and the United States Air Force, and for other purposes; to the Committee on Education and Labor.

By Mr. ADDONIZIO:

H. J. Res. 506. Joint resolution to amend the pledge of allegiance to the flag of the United States of America; to the Committee on the Judiciary.

By Mr. ANGELL:

H. J. Res. 507. Joint resolution proposing an amendment to the Constitution of the United States providing for the filling of temporary vacancies in the House of Representatives by appointment and providing for a term of 4 years for Members of the House of Representatives; to the Committee on the Judiciary.

By Mr. CELLER:

H. J. Res. 508. Joint resolution to extend the time for the erection of a memorial to the memory of Mohandas K. Gandhi; to the Committee on House Administration.

By Mr. HARRISON of Virginia:

H. J. Res. 509. Joint resolution to establish the Woodrow Wilson Centennial Celebration Commission, and for other purposes; to the Committee on the Judiciary.

By Mr. HOWELL:

H. J. Res. 510. Joint resolution to constitute the Federal Civil Defense Administration an executive department, within the Department of Defense, and for other purposes; to the Committee on Government Operations.

By Mr. WILLIAMS of New Jersey:

H. J. Res. 511. Joint resolution to establish a Joint Committee on Internal Security; to the Committee on Rules.

By Mr. GRAHAM:

H. Con. Res. 227. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens; to the Committee on the Judiciary.

By Mr. BAILEY:

H. Res. 518. Resolution amending the Rules of the House of Representatives so as to create two standing committees to be known as the Committee on Education and the Committee on Labor; to the Committee on Rules.

By Mr. SCOTT:

H. Res. 519. Resolution to provide funds for the necessary expenses of the Subcommittee on Legislative Procedure of the Committee on Rules; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENDER:

H. R. 8935. A bill for the relief of Mrs. Sophie Fuchs; to the Committee on the Judiciary.

By Mr. BOW:

H. R. 8936. A bill for the relief of Dana Evanovich; to the Committee on the Judiciary.

By Mr. CELLER:

H. R. 8937. A bill for the relief of Manhattan Lighting Equipment Co., Inc.; to the Committee on the Judiciary.

By Mr. CONDON:

H. R. 8938. A bill for the relief of Elpidio A. Aliga and Mrs. Fernandina C. Aliga; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 8939. A bill for the relief of Mrs. Nika Kirihara; to the Committee on the Judiciary.

By Mr. HIESTAND:

H. R. 8940. A bill for the relief of Mrs. Margaret Surratt; to the Committee on the Judiciary.

By Mr. KEATING:

H. R. 8941. A bill for the relief of William H. Young; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 8942. A bill for the relief of Anna Anzalone; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 8943. A bill for the relief of Vincent Pecoraro; to the Committee on the Judiciary.

By Mr. PHILLIPS:

H. R. 8944. A bill for the relief of Victorine May Donaldson; to the Committee on the Judiciary.

H. R. 8945. A bill for the relief of Maria Nizzia Constantino; to the Committee on the Judiciary.

By Mr. SHORT:

H. R. 8946. A bill for the relief of Edward L. Jenkins; to the Committee on the Judiciary.

By Mr. BURDICK:

H. Res. 520. Resolution providing for sending to the United States Court of Claims the bill (H. R. 2156) for the relief of the Fredericktown Lead Co.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

680. By Mr. FORAND: Resolution of the Rhode Island Tuberculosis and Health Association opposing any further reduction in the Federal budget for tuberculosis control; to the Committee on Appropriations.

681. By Mr. GRAHAM: Petition of the Beaver County, Pa., District Nurses Association, urging the retention of the exemption of the so-called nonprofit hospitals contained in section 2 of the Taft-Hartley Act; to the Committee on Education and Labor.

682. By Mr. MERRILL: Petition of Mrs. Mabel Sailer and other citizens of Evansville, Ind., petitioning for a hearing for the Bryson bill, H. R. 1227, a bill to prohibit the transportation in interstate commerce of alcoholic beverage advertising in newspapers, periodicals, etc., and its broadcasting over radio and TV; to the Committee on Interstate and Foreign Commerce.

683. By Mr. PRICE: Petition of residents of Madison County, Ill., memorializing the House Committee on Interstate and Foreign Commerce to give consideration to H. R. 1227; to the Committee on Interstate and Foreign Commerce.

684. By Mr. SMITH of Wisconsin: Resolution adopted by the Kenosha Taxpayers, Inc., of Kenosha, Wis., urging that the present ceiling on the Federal debt be retained and the debt be reduced by balanced budgets and reductions in spending; to the Committee on Ways and Means.

685. By Mr. CANFIELD: Resolutions adopted by the New Jersey Federation of Business and Professional Women's Clubs, Inc., favoring the increasing of Federal funds for vocational education to the fullest extent permitted under the George-Barden Act; to the Committee on Education and Labor.

686. By the SPEAKER: Petition of Mrs. George L. Miller, secretary, Indiana Federation of Clubs, French Lick, Ind., relative to a resolution adopted at the annual convention of the Indiana Federation of Clubs on April 27, 1954, emphatically opposing any recognition of Red China as a government or its admission to the United Nations; to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

Protect the Nation, Save the Coal Industry

EXTENSION OF REMARKS

OF

HON. ROBERT C. BYRD

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 28, 1954

Mr. BYRD. Mr. Speaker, I find it difficult to square the roseate statements on the economic outlook with the grim unemployment in my district in the soft-coal belt of West Virginia.

Thousands of mineworkers are out of jobs in that area. These unemployed Americans and their families are subsisting on the dole; for the most part, they are dependent upon surplus foods. The outlook is bleak; not only are these people presently without jobs, but the prospects for future employment are also dim.

These Americans are looking to our Government for help, and rightly so, Mr. Speaker. They are shocked and dismayed when they hear that the United States Government, through the Export-Import Bank, is making a loan of $100 million to the European Coal and Steel Community, while little or nothing is being done to assist the American coal industry. They know it is well that free peoples in Europe be helped, but they are at a loss to understand why our Government extends the helping hand abroad while it turns a deaf ear to the coal industry in this country.

It has been stated in this House many times that the coal industry in the United States is in trouble. The Federal Bureau of Mines has estimated soft-coal production during the first quarter of 1954 at 90 million tons, or 16 percent below the 107 million tons in the first quarter of 1953, which was not a banner year. The situation in anthracite is equally alarming.

Mr. Speaker, coal was the keystone in the production drive for victory in two world wars. When our Government fails to look to the well-being and prosperity of the coal industry, then we are inviting trouble; nay, courting disaster. Coal shouldered big burdens in the recent wars and it will be called upon for a similar role in the event of new hostilities. The successful conduct of a war depends upon our ability to meet quickly and fully the requirements for fuel and energy. This cannot be done if the coal industry in this country is not kept in a strong, flourishing condition.

We are playing a dangerous game at the expense of coal, Mr. Speaker, in the voluminous imports of residual fuel oil. These imports are displacing millions of tons of coal, causing mine units to be shut down, throwing thousands of miners out of work, and creating ghost towns in the United States. Not only are we undermining our own national economy by this vicious practice, but we are also exposing our flanks, so to speak, for we are becoming more and more dependent upon foreign oil, and, if war comes, enemy submarines will cut off this source of supply quickly. This is not an unfounded cry of alarm; it

is a clear reading of contemporary history.

The time is long overdue for constructive aid to the coal industry. Such action is in the national interest. This is not a sectional plea, but looks to the security of the country and to the production ramparts so essential to survival in the event of an enemy attack.

Today, I should like to stress particularly the aggravation of the situation existing in the coal fields that would be caused by the consummation of the proposed St. Lawrence seaway. This project would greatly facilitate the dumping of residual fuel oil into the United States, a development which could well be the final blow to the Nation's coal industry. It will be ironic, indeed, if the only action taken by the United States Government bearing upon the coal industry of this country is an action which would inflict further serious injury. This Government of ours should be exercising its full powers toward protecting the coal industry against the cutthroat competition of residual fuel oil.

Think of it, Mr. Speaker, in the overall picture. More than 30 million tons of coal production are being displaced annually by this imported residual fuel; and, instead of getting busy to put a halt to this menacing, unfair competition, the administration is furiously bent on participating in a costly seaway project that will literally cause a deluge of this foreign product.

When are we going to stop opening Pandora's box and start planning and acting for the welfare of the Nation's coal industry?

Who Are the Selfish Interests That Are Paying the Bill for the Flood of Propaganda Urging Construction of the St. Lawrence Seaway?

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 28, 1954

Mr. VAN ZANDT. Mr. Speaker, in order that Congress can keep abreast of the forces of righteousness I should like for the RECORD to show that, according to its lobby report, the Great Lakes-St. Lawrence Association, the pro-seaway lobby, received $85,568.46 in contributions for the first quarter of this year. In this same period it spent $84,533.66.

You will recall, Mr. Speaker, that several weeks ago full-page advertisements in several papers addressed to Members of Congress, urged us to come to the support of national defense by voting for the seaway. The advertisements were signed by the National Committee for the St. Lawrence Seaway Project and carried a group of prominent names.

The whole argument of these advertisements was that we rally to uphold the American flag. The lobby report of the pro-seaway forces reveals that the ads were paid for by this organization. Of the $85,568.46 collected by this organization, $27,592.25 was given by the six companies which would benefit from the iron ore which is expected to come in from Labrador. They are Republic Steel, which gave $10,393.75; Wheeling Steel, $3,326; Youngstown Sheet & Tube, $2,157.50; National Steel, $4,315; Armco, $2,000; M. A. Hanna Co., $5,400.

Mr. Speaker, inasmuch as Congress at some future time may want to take due recognition of the intense patriotism of the forces back of the seaway, I am listing the rest of the contributors of $500 or more to the Great Lakes-St. Lawrence Association for a period of only 3 months.

Bohn Aluminum, Detroit, $500; Ex-Cell-O Corp., Detroit, $500; city of Detroit, $2,000; Burroughs, Detroit, $1,000; Henry J. Muller, Detroit, $500; Cutler-Manger, Duluth, Minn., $500; State of Wisconsin, $10,753.69; city of Milwaukee, $6,454.61; county of Milwaukee, $4,625.77.

May I observe, Mr. Speaker, that the proponents of the seaway call the opponents "selfish interests."

Congressional Investigations

EXTENSION OF REMARKS

OF

HON. LEO W. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 28, 1954

Mr. O'BRIEN of New York. Mr. Speaker, numerous proposals have been advanced at this and past sessions of Congress for establishment of a code of "fair play" in connection with the conduct of congressional investigations.

In many such instances, the implication has been that the goal of such proposals was a particular individual or individuals. This has aroused opposition which had little to do with the merit or demerit of the proposed rule changes.

With that thought in mind I have introduced in the House a bill which does not involve personalities in any degree. Its contents are not even my own idea. The language is taken in its virtual entirety from a law recently enacted in my own State of New York, where it applies to procedures in connection with legislative investigations.

Mr. Speaker, New York State is the most populous State in the Union. It has approximately one-tenth of the population of the United States. Those people, through their elected representatives in the State legislature, have set up a code of fair play in connection with the conduct of legislative investigations. The vote on the bill was unanimous, both Republicans and Democrats supporting the measure. It was signed by a Republican Governor, who twice has been his party's candidate for President.

Neither the legislature nor the Governor of my State is soft toward communism. They have established standards, however, which they believe will enable them to make full and complete investigations into that or any other subject without trampling upon the rights of individuals.

I am presenting to this Congress, for study and consideration, a bill which suggests only that what is good enough for my State, with its 16 million people, may be the solution for which men of good will in and out of Government have been striving.

Flood Protection for Duarte

EXTENSION OF REMARKS

OF

HON. PATRICK J. HILLINGS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 28, 1954

Mr. HILLINGS. Mr. Speaker, as the Representative in Congress from the Duarte area, I have been working over the past months, in cooperation with local officials, to assure Duarte of adequate flood protection. This is a continuing problem which requires constant vigilance on the part of all concerned. I am happy to report at this time that definite progress is being made.

The Federal Government is pushing ahead with its work to complete the Whittier Narrows Dam. Waters from the mountains and foothills above Duarte will flow into its giant reservoir. Already work is in progress, or plans are being formulated for the various tributary channels which will funnel the waters into Whittier Narrows. On December 17, 1953, I wrote to the Secretary of the Army, who is responsible for flood control matters, and urged that sufficient funds for this purpose be requested in the President's budget. This request was later fulfilled. In early 1954, I appeared before the House Committee on Appropriations to support my request for adequate funds. Subsequently the House passed the appropriation bill providing the money to hasten the completion of the Whittier Narrows Dam.

The disastrous forest fires of this winter aggravated Duarte's flood problem. The fires stripped the mountainsides of protective vegetation which under ordinary conditions would hold the soil in place. When the rains came, mud, debris, and water poured in Duarte which caused damage to homes. Because of the emergency situation created by the fire, President Eisenhower, at my request, issued an executive order declaring that a major disaster situation existed and he directed that all Federal agencies cooperate to the fullest extent.

In March of this year, while the Committee on Appropriations was considering the budget for the Forest Service, I again asked the Congress to take cognizance of the need for reforestation and

other necessary improvements in Angeles National Forest which lies north of Duarte. The committee sent one of its members, Congressman OAKLEY HUNTER, of Fresno, to make a survey of conditions in Angeles National Forest. The House has already passed the appropriation bill for the Forest Service, and it is now pending in the Senate.

Mr. Speaker, I should not sit down without paying tribute to the fine public service rendered by the Duarte Dispatch and its editor and publisher, Mr. L. C. Fulbright. This newspaper has been of great assistance to me in keeping in close touch with the community. It has been not only a mirror of public opinion, but it has helped me in reporting to my constituents from Washington.

At this point, I wish to place in the RECORD an article from the Duarte Dispatch of April 15, 1954, which describes the status of local flood-control projects planned by the county of Los Angeles in Duarte.

The article follows:

SOLUTION OF DUARTE FLOOD PROBLEMS SEEN—COUNTY ANNOUNCES PLAN TO CONSTRUCT $2,500,000 FLOOD CONTROL SYSTEM

What is undoubtedly the best news for Duarte citizens (especially those in the northern section) to be released in a long while is the announcement regarding flood control emanating from Supervisor Legg's office this week.

Relief from the mudflows which caused extensive damage to many Duarte homes during the winter storms this year was promised this week as County Supervisor Herbert C. Legg disclosed plans of the Los Angeles County Flood Control District to construct a system of debris basins and channels in the Bradbury-Bliss, Maddock Canyon area.

The $2,500,000 system was outlined in detail by H. E. Hedger, chief engineer of the district, in a report this week to Legg.

Construction priority has been assigned to the Bradbury-Bliss, Maddock Canyon project because of the recent fire in the watershed area of these canyons. Present plans call for construction of debris basins and a portion of the proposed permanent channels in the two canyons this year.

Flood-control engineers estimate that the basins should be completed in time for the 1954–55 rainy season, Legg said. He emphasized that completion of the basins would remove much of the danger of mud and debris from Duarte homes and property, but that waterflows would still be experienced in the principal water-carrying streets until the entire system of permanent channels is completed.

Construction schedules for 1954 call for completion of a debris basin in Bradbury-Bliss Canyon with a permanent channel from the basin to the intersection of Lemon Avenue and Winston Street, and a second basin in Maddock Canyon with a short length of permanent channel ending in a temporary channel which follows the present stream bed to the head of Vineyard Avenue.

Future construction entails building a third debris basin in Spinks Canyon and completion of the system of permanent channels to remove waterflow from the streets. This future system of channels will connect with Bradbury Canyon Channel at Lemon and Winston, run diagonally east to a point about 500 feet north of the Foothill Boulevard-Royal Oaks Drive intersection, where it will connect with the proposed Spinks Canyon Channel.

From this point the channel continues on a diagonal line to the north roadway of Royal Oaks, runs parallel to Royal Oaks to Mount Olive Drive, then turns south in Mount Olive to the Santa Fe Dam Reservoir below the Atchison, Topeka, & Santa Fe railway tracks. The permanent channel from the Maddock Canyon runs diagonally west to join with the Bradbury-Spinks trunk channel at Mount Olive and Royal Oaks.

Legg cautioned that residents on Vineyard Avenue will not experience complete relief from flood conditions until the permanent channel for the Maddock Canyon Basin is completed. He pointed out that by constructing the debris basin this year, the main threat to life and property from heavy rocks and debris would be removed, but that Vineyard residents still face prospects of waterflow and some mud during periods of heavy rain.

Is Post Office a Public Service or Public Utility?

EXTENSION OF REMARKS

OF

HON. HAROLD C. HAGEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 28, 1954

Mr. HAGEN of Minnesota. Mr. Speaker, on March 18, 1954, I issued a separate minority report protesting the enactment of H. R. 6052, a postal rate increase bill, at this time, and in view of more recent developments, I take this occasion to emphasize my opposition to such enactment in this term of Congress.

I feel that we should refresh our memories somewhat in this deliberation and in this connection, I wish to point out that on September 7, 1951, during the debate on the floor of the Senate concerning the last postal rate increase measure there was a great deal of uncertainty as to the validity of the figures presented by the Post Office Department. I quote the Honorable Senator FRANK CARLSON, from the CONGRESSIONAL RECORD, volume 97, part 8, page 11029, as follows:

There is a great deal of doubt in the minds of many of us as to the methods used. We should like very much to spend a great deal of time in studying the cost ascertainment methods, to see whether the Post Office Department is using a system which is fair to the various types of mail and in the distribution of the mail.

Although the postal rate increase bill was passed in 1951, the outgrowth of these deliberations, having to do with uncertainty as to the Post Office Department presentation, was the introduction and passage of Senate Resolution 49 calling for a thorough study of the Post Office Department and its methods. This measure was passed by the Senate in the first session of the 83d Congress. The work under this resolution has been completed, and I am pleased to report that the Senate has authorized the issuance of the report of the Advisory Council to the Senate Post Office and Civil Service Committee, which was established by Senate Resolution 49. As a member of the House Committee on Post Office and Civil Service, I have had an opportunity to review, as anyone has, this report and believe it to be a very thorough and complete report on the Post Office Department.

If there was reluctance to pass the last postal rate increase bill because of the uncertainty of the facts presented by the Post Office Department, it seems to me unwise to pass another rate increase at this time. The Carlson committee report provides a basis for a long-range solution to the many problems dealing with postal rates, and I feel that full study and attention should be given this document before further consideration is given to H. R. 6052, the pending postal rate increase bill.

On March 31 the Postmaster General issued a companion report entitled, "Financial Policy for the Post Office Department." It is interesting to note that both the Advisory Council and the Post Office Department ask the Congress to establish a definite postal policy as a basis for resolving the many problems pertaining to the postal rate controversy. In this connection I call the attention of the Congress to a statement from the Postmaster General's report, contained on page 108 of that document:

(D) A permanent expression of postal policy is overdue: Clearly, a reconsideration of the basic charter of the Post Office is overdue. Congressional action is necessary to define its service objectives, to establish a rate-making philosophy, to give more freedom to management, and generally to provide all reasonable means of achieving an efficient and low-cost postal system. Continuing uncertainty, contention, political expediency, and partial measures (or no measures at all) add up to legislative ineffectiveness. The present Congress can make history if it finds and adopts a permanent and sensible course of action for the future.

It may take some time for the Members of Congress to acquaint themselves with both the Advisory Council and the Post Office Department's reports. These should be fully and carefully studied before any further action is taken on postal rates because now we have a basis for a permanent solution to this perennial controversy. I, for one, am satisfied that the Senate Post Office and Civil Service Committee's report is an outstanding job. I feel that Senator CARLSON and his committee should be heartened by the extent to which there are protests to the findings of the Advisory Council.

The Postmaster General's proposed policy statement asked that the Congress consider the Post Office a "public utility" but this seems to straddle the issue of whether the Post Office Department is a business or a service. The Advisory Council to the Senate Post Office and Civil Service Committee calls for a policy in which the Post Office Department will be termed a "service."

The report of the Post Office Department sets forth certain statements to the effect that the incremental cost principle is invalid for postal purposes. The Post-

master General's report, on page 133, states:

Nowhere in the early history of the Post Office is there any implication by the Congress that any class of mail should be entitled to be a burden on any other class of mail, or that other classes of mail should be considered as merely incidental items to first-class in the function of the postal service.

However, elsewhere in the Post Office Department's report this objection seems to be fully dissipated. In discussing the fixing of rates by formula pricing, on page 115, the Post Office report makes the following statement:

6. First-class mail and airmail, being premium services, should, between them, absorb as an addition to allocated cost an amount equal to the sum of: (1) the loss on foreign mails and special services (except such portion as is computed to relate to other classes of mails); (2) the discount from cost on second-class mail; and (3) the discount from cost on third-class mail.

Elsewhere in his report, on page 159, the Postmaster General, in referring to an item of $53 million for loss on registry, insurance, collect-on-delivery, and other special services, makes the following statement:

The Post Office feels that the rates being charged may be at the maximum that the traffic can bear, although further studies are being made. It also believes that, since these are auxiliary services, any losses on them should be supported by revenues from other classes of mail with the greatest percentage of responsibility going to first-class.

In light of the foregoing, I suggest that the Post Office Department is in error, and I further maintain that they are also in error in insisting that the present rate bill should be passed immediately.

This seems to be contrary to the intent of Congress as set forth back in 1951 and as realized in the work of the Advisory Council to the Senate Post Office and Civil Service Committee. The Postmaster General presented a bill to Congress before the Senate study was completed. One can only conclude that it was based on patchwork and guesswork. We should not hastily pass a bill before the real facts are known. Let us not subject the American people and important segments of our business structure to increased expenses in this critical time in our economy until we have the facts. Let us defer action on H. R. 6052, the postal-rate-increase bill.

Compilation of Results on Questionnaire for 1954

EXTENSION OF REMARKS

OF

HON. ROBERT C. BYRD

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 28, 1954

Mr. BYRD. Mr. Speaker, earlier this year I circulated a questionnaire throughout the Sixth West Virginia District. The questionnaire went into the hands of people from every walk of life, and it was sent to householders of both political parties.

My purpose in mailing this questionnaire to my constituents was threefold. Firstly, I desired to ascertain the sentiments of my people with respect to certain very important subjects likely to be considered by the Congress. Secondly, I hoped to stimulate a greater interest among my people concerning some of the paramount issues which face us as a Nation. Thirdly, it was my wish to assure the people of the sixth district that they, too, have a voice in the finest Government in the world, and that I, as their Representative, welcome their advice upon any and all legislative matters.

My threefold objective has been gained, and the response to this questionnaire has been gratifying. I believe that I now have a better working knowledge of the kind of representation which my constituents expect me to render, and I include herewith a tabulation of the results of this questionnaire in order that the Members of Congress may have the benefit of the thinking of my fellow West Virginians as we consider the great questions which confront us.

The tabulation follows:

Compilation of results on questionnaires for 1954

Question	Yes	Percent of total	No	Percent of total	No vote	Percent of total
Do you favor:						
Government price supports on basic farm products?	4,758	49.3	4,092	42.4	804	8.3
An increase in the national-debt limit above the present $275-billion limit?	2,008	20.8	6,882	71.3	764	7.9
Revising the McCarran-Walter Act so as to permit more immigrants to enter the United States than are now authorized?	3,526	36.5	5,686	58.9	442	4.6
The United States joining with Canada in the development of the St. Lawrence Seaway?	7,034	72.9	1,882	19.5	738	7.6
A constitutional amendment making treaties of no force and effect if they deny or abridge any right enumerated in the United States Constitution?	5,738	59.4	2,560	26.5	1,356	14.1
Lowering the voting age to 18 years? [1]	4,487	54.3	3,545	42.9	231	2.8
Continued military aid to foreign nations?	5,667	58.7	3,427	35.5	560	5.8
Continued economic aid to foreign nations?	5,252	54.4	3,784	39.2	618	6.4
A more intensive probe of Communist activities in the United States?	8,064	83.5	1,106	11.5	484	5.0
The suggestion that America pool its atomic secrets with those of other nations? [1]	1,641	21.9	5,342	71.3	509	6.8
The integration of German military units into the defense system of western Europe?	7,804	80.8	1,032	10.7	818	8.5
Admitting Red China to the United Nations?	732	7.6	8,498	88.0	424	4.4
Permitting Communist literature in our overseas libraries?	1,260	13.1	7,938	82.2	456	4.7
A ban on the mailing of all obscene literature? [1]	6,028	84.1	789	11.0	351	4.9
Any form of increased taxation to secure a balanced national budget?	2,925	30.3	6,333	65.6	396	4.1
An increase in postal rates?	4,026	41.7	5,281	54.7	347	3.6
Continued appropriations for Government housing projects?	6,256	64.8	2,983	30.9	415	4.3
The rearming of Japan as a deterrent to future Communist aggression in the Far East?	7,086	73.4	1,892	19.6	676	7.0
Appropriating more money for building our own air, sea, and land defense arms?	8,631	89.4	473	4.9	550	5.7
Continued aid to Communist Dictator Tito of Yugoslavia?	1,960	20.3	6,941	71.9	753	7.8
Witnesses who are being questioned with regard to un-American activities frequently withhold testimony by taking refuge in the provisions of the fifth amendment. Do you favor finding ways to prevent this? [1]	8,418	87.2	858	8.9	378	3.9
Should the Taft-Hartley law be amended? [2]	5,934	[3] 61.5	2,632	27.3	872	9.0

[1] This question was not included on all questionnaires.
[2] 216, or 2.2 percent, suggested outright repeal.
[3] Those who favored amendment were divided as to purpose. Some favored amending so as to favor management; others, to favor labor.

One Way To Reduce the Postal Deficit

EXTENSION OF REMARKS

OF

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 28, 1954

Mr. MILLER of California. Mr. Speaker, as we all know, the number of Government publications that crosses every Congressman's desk is just too much for the individual Member to give every document the careful reading he would like to. For that reason I call your attention to a chart which appeared on page 83 of the March 31, 1954, publication of the Post Office Department entitled "Financial Policy for the Post Office." The figures on that chart show that the Post Office is now making $11 million profit on parcel post. Earlier public statements by post office officials reveal that if Public Law 199, the law by which the last Congress limited the size and weight of parcel post packages, were repealed, the Post Office would be making $84 million a year on parcel post. What makes this especially remarkable is that, as I recall, one of the major arguments for the passage of Public Law 199 was that it would reduce the Post Office deficit and the cost to the taxpayer. Experience has proven that false. Public Law 199 has substantially reduced the net income of the Post Office Department. It penalizes every parcel post user. I regard it as a very real threat to the existence of a financially sound parcel post system.

But Public Law 199 has done even more damage to the economy of the country than it has to the Post Office. In hundreds of communities throughout

the country citizens no longer have the parcel post delivery which they had enjoyed for over a generation, nor have they an adequate private substitute. In thousands of businesses the system of distribution of merchandise has been completely disrupted. For small business, especially, Public Law 199 has been a costly burden.

In barring some packages from the mails and thus forcing them to go by other means, we have not created any new jobs. We have taken jobs from one group and given them to another. Public Law 199 wears the free enterprise mask. But in fact it does daily damage to thousands and thousands of free enterprises in our country. They are operated by hard-working shirtsleeves Americans. If they cannot make good, they close up shop. But the Railway Express Agency, the free enterprise Public Law 199 was passed to protect, passes along losses to be made up out of the unlimited bankrolls of the railroads.

Back in the days when railroading was young and when miles of new tracks literally pushed back our frontiers, the railroads took on some nonrailroad activities to help make sure those new tracks got enough use. They built hotels, created resorts and, among other things, they started what is now known as the Railway Express Agency.

Nowadays the railroads have found that they do better without these extra businesses. And that includes the Railway Express Agency. In terms of dollars and cents the Express Agency costs the railroads far more than it brings in. If the railroads really took a management attitude toward the Express Agency, instead of treating it like an orphan child, I think they would find that its financial health depends upon it sticking to the freight business, rather than trying to grab the small package, small revenue items which can best be handled as parcel post.

A number of Members of this Congress are beginning to realize that they made a mistake when they voted for Public Law 199. I think it is time the Railway Express Agency and the railroads took another look at that law. In the long run any law which is harmful to the country as a whole is not going to help either the railroads or the Railway Express Agency.

Our country has grown rich because we worked hard to do things better and to do them at less cost. Public Law 199 is forcing many businesses to adjust to poorer service at doubled and tripled cost. It is nothing less than economic sabotage. It should be repealed.